



Retaining Top Talent Through Family-Friendly Policies

CASE STUDY

National Foods Limited Food Manufacturing, Pakistan

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IN COLLABORATION WITH



FOREWORD BY IFC

Pakistan's economy is presently growing at just under 6 percent annually. The country's GDP could grow by 30 percent if women and men participated equally in the workforce. Women's education levels in Pakistan have increased over time. Yet, only a quarter of women are working compared to over 80 percent of men. The gap is staggering and closing it represents a huge economic opportunity for Pakistan.



In addition to Pakistan's economy, closing gender gaps is also good for Pakistan's businesses. The competitiveness and growth of Pakistan's firms could be significantly enhanced if firms could bring into their company diverse skills and talents, which are urgently needed to be more productive and innovative. Despite competition over attracting and retaining skilled employees, few companies have widened their search for talent and skills by tapping into Pakistan's vastly underutilized female talent pool.

A 2017 study by The Pakistan Business Council's (PBC) Centre of Excellence in Responsible Business (CERB) found that women represent less than 20 percent of the workforce of 90 percent of the surveyed PBC member firms. Although this is higher than the national average of less than 10 percent women in the formal, private sector workforce, in most cases, women continue to be underrepresented in formal employment and earn less than men for equivalent work. Pakistan's private sector has a critical role to play in ensuring that women have access to more and better jobs.

A growing number of forward-looking Pakistani companies are now starting to see the business case for gender diversity, even in sectors considered non-traditional for women. To expand this awareness and turn it into action, IFC partnered with PBC to bring to Pakistan IFC's global research and advisory expertise on the business case and good practices for advancing women's employment.

These case studies are part of a series of initiatives that IFC and PBC have jointly led over the past year to mobilize more companies in Pakistan to increase gender diversity in their workforce. The aim of the case studies is to provide guidance to Pakistani firms on successful approaches for recruiting, retaining, and promoting more women and achieving better business outcomes.

The case studies feature five PBC member companies that are promoting greater inclusion of women in their workforce in five thematic areas: Artistic Milliners Limited for the Women in Business Leadership theme, HBL for the Anti-Sexual Harassment theme, Interloop Limited for the Women in Non-Traditional Roles theme, National Foods Limited for the Family-Friendly Policies theme, and Packages Limited for the Equal Opportunity Recruitment Practices theme. HBL and Packages are IFC investment clients and Artistic Milliners and Interloop are IFC advisory clients.

Our aim is that these case studies will reach many businesses in Pakistan and help them better understand the business case for women's employment, get insights into the approaches that work, and learn from each other's experiences while replicating solutions.

On behalf of IFC, I would like to thank the companies that participated in this project and generously shared their data and good practices, and PBC for their commitment to this important agenda. IFC is committed to working with the private sector in Pakistan to create equal employment opportunities, decent working conditions, and lucrative career paths for women, and we will continue to do more.

A handwritten signature in black ink, reading "N. Siddiqui".

Nadeem A. Siddiqui

Senior Country Manager for Pakistan

International Finance Corporation, World Bank Group

FOREWORD BY THE PAKISTAN BUSINESS COUNCIL



The Pakistan Business Council (PBC) is a business advocacy forum composed of the largest businesses including multinationals that have significant investment in and a long-term commitment to Pakistan. Members' turnover represents 11% of Pakistan's GDP and they contribute 25% of the taxes and exports. Our key advocacy thrust is on easing barriers for Pakistani businesses in the wake of progressive regional and global free trade, as well as improving national investment flows to match target GDP growth rates.

PBC works closely with the relevant government departments, ministries, regulators and institutions, as well as other stakeholders including professional bodies, to develop consensus on major issues which impact the conduct of business in and from Pakistan. It has submitted key position papers and recommendations to the government on legislation and other government policies affecting businesses. PBC also serves on various taskforces and committees of the Government of Pakistan as well as those of the State Bank of Pakistan, the Securities & Exchange Commission of Pakistan, and other regulators with the objective to provide policy assistance on new initiatives and reforms.

The Centre of Excellence in Responsible Business (CERB) is the first of PBC's outreach initiatives to build capacity and capability of businesses in Pakistan. CERB's vision is to assist Pakistani businesses to pursue long term sustainability and value creation, and its mission is to contribute towards inclusive social development. As part of its strategic objectives, CERB engages with businesses and industry leaders to provide a clear direction towards conducting responsible business in Pakistan. It leverages private sector growth as a means for development and poverty reduction taking guidance from the United Nations Sustainable Development Goals framework.

CERB's aim is to identify and impart good practices from within the PBC member companies and work towards changing the mind-set of the many businesses that are not members of PBC but contribute equally to Pakistan's economy.

In the context of gender equality, PBC is privileged to have partnered with the International Finance Corporation over the past year and, as part of our collaborative efforts to enhance women's employment in Pakistan, we have together worked on five case studies where opportunities among domestically-owned companies to do so have been highlighted. On behalf of PBC, I would like to thank our member companies for allowing our respective teams to carry out in-depth analyses of their good practices in this area and sharing with us their data that may be published.

Ehsan Malik

CEO

The Pakistan Business Council

Case Study: Retaining Top Talent Through Family-Friendly Policies¹

WOMEN, WORK, AND CHILDCARE IN PAKISTAN

Pakistan's GDP—presently growing at 5.8 percent annually—could increase by 30 percent if gender gaps in economic participation are closed.² Currently, Pakistan's female labor force participation (FLFP) rate stands at 25 percent compared to a rate of 82 percent for men.³ This is still a considerable increase from around 14 percent in 1990⁴ yet significantly lower in comparison to neighboring countries and international standards, even though the percentage of female higher-education graduates in Pakistan is steadily increasing. Low FLFP represents a significant missed opportunity for Pakistani companies as workforce gender diversity has been linked to a variety of business benefits, including increased productivity, competitiveness, and growth.⁵

Research shows that several interlinked demand and supply-side factors compound Pakistan's low FLFP rate and keep women out of the workforce. Demand-side factors include employers' bias against hiring women and lack of workplace benefits and opportunities for women, whereas supply-side

1 **Methodology:** Information presented in this case study is based on HR data gathered and analyzed between September to November 2018 with NFL's HR team as well as on two focus group discussions with 15 employees and 10 one-on-one interviews with NFL's CEO, HR Director, HR team, CSR & Corporate Communications Lead, daycare manager, caregivers, working mothers and fathers, and employees who are not yet married or do not have children. This research was conducted by [IFC Gender Secretariat](#) in collaboration with PBC.

2 IMF. 2018. Pursuing Women's Economic Empowerment. Available at <https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&ved=2ahUKEwiXgl7Izq7eAhVvZN8KHSdhDhoQFjABegQIBxAC&url=https%3A%2F%2Fwww.imf.org%2F-%2Fmedia%2FFiles%2FPublications%2FPp%2F2018%2Fp053118pursuing-womens-economic-empowerment.ashx&usq=AOvVaw37P2lC3y1aMZdZWgHLBVTt>.

3 Pakistan Bureau of Statistics. Labor Force Survey 2014-2015. Available at <http://www.pbs.gov.pk/content/labour-force-survey-2014-15-annual-report>.

4 World Bank Group Data: <https://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS?locations=PK>

5 IFC. 2017. Investing in Women: New evidence for the business case. Available at https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/gender+at+ifc/priorities/entrepreneurship/investing+in+women_new+evidence+for+the+business+case. Also see: IFC. 2013. Investing in Women's Employment: Good for Business, Good for Development. Available at <https://www.ifc.org/wps/wcm/connect/5f6e5580416bbo16bf1bf9e78015671/InvestinginWomensEmployment.pdf?MOD=AJPERES>.

National Foods Limited

Food Manufacturing,
Pakistan



NFL's Employee Profile (April 2018):

- 5.08% of 748 employees are women (38 women; 710 men)
- Women on board: 2 out of 7
- Women in MANCOM: 1 out of 7
- 2.32% of women (15) and 97.68% of men (629) have children

NFL supports working parents through:

- On-site daycare center
- Flexible work arrangements
- Telecommuting
- Pick and drop for women

Main business impacts of NFL's family-friendly policies:

- Between 2016 and 2018, NFL saw a 65% increase in the number of women in the workforce (from 23 to 38 women) and 117% increase in the number of women in management (from 6 to 13)
- In 2017, 4 women went on maternity leave, returned, and were still employed in 2018, contributing to a maternity return rate of 100%
- Policies contribute to NFL's healthy attrition rate (10%), which is critical to NFL's growth

factors include traditional gender roles, women's household responsibilities, including time spent on unpaid care, as well as mobility constraints and safety issues.⁶ While globally, women are three times more likely than men to do unpaid care work, in South Asia, including in India and Pakistan, women perform 10 times more unpaid care work than men, which prevents women from participating fully in paid work.⁷

FAMILY-FRIENDLY WORKPLACE POLICIES

In recent years, a growing number of Pakistani companies are recognizing the business case for gender diversity. Given the existing demand and supply-side barriers, companies often focus on making investments in family-friendly policies that

enable working mothers and fathers to fulfill work and family responsibilities, which is the key to unlocking the untapped potential of the Pakistani female talent pool, thereby bridging skills gaps and maximizing business gains.

To create a family-friendly workplace, companies typically introduce HR policies and practices centered around paid maternity, paternity, and parental leave, childcare options, including on-site or near-site daycare centers, subsidies, or summer camps, on-site health clinics, safe transport, and flexible work arrangements (with flexible hours and location). Studies show that family-friendly workplaces offering solutions such as childcare experience various business benefits, including lower absenteeism, turnover, and stress and higher employee productivity, satisfaction, and wellbeing, which often outweigh the costs of providing such benefits.⁸



6 World Bank Group. 2018. Pakistan Jobs Diagnostic.

7 McKinsey Global Institute. 2015. The Power of Parity. Available at https://www.mckinsey.com/~/_media/McKinsey/Featured%20Insights/Employment%20and%20Growth/How%20advancing%20womens%20equality%20can%20add%2012%20trillion%20to%20global%20growth/MGI%20Power%20of%20parity_Full%20report_September%202015.ashx.

8 IFC. 2017. Tackling Childcare: The Business Case for Employer-Supported Childcare. www.ifc.org/tacklingchildcare

NATIONAL FOODS LIMITED: COMPANY OVERVIEW

For National Foods Limited (NFL), one of Pakistan's largest food manufacturers specializing in spices, sauces, pickles, and snacks, a focus on family-friendly policies is a critical component of the company's gender diversity, recruitment, and retention strategy. Established in 1970, NFL caters to a large base of domestic and international consumers and has maintained a year-on-year growth of 20 percent for the last five decades. While part of a larger locally-owned conglomerate with diversified business activities, NFL represents the core business of the group, with a net turnover of Rs. 22 Billion (around USD 165 million) and 748 employees across 8 offices and 4 factories. NFL's products are consumed by people in 40 countries across 5 continents. By investing in its people, including families, NFL aims to maintain and exceed its high growth rates over decades to come.

NFL'S BUSINESS CONTEXT FOR FAMILY-FRIENDLY POLICIES AND GENDER DIVERSITY

NFL's consumer base consists largely of women and young adults. For the brand to resonate with its target consumers, NFL recognizes that the gender composition of its consumer market must be reflected in NFL's workforce, management, and operations. For NFL, the message is clear: A company that is an "employer of choice" for women is more likely to be the "brand of choice" for women as well, tapping into the insights of its female employees to connect with its female customers.

In the 1990s, NFL set off on a journey to recruit more women and brand itself as a company that cares about women, to better reflect the needs of the market and take into account women's influence on household purchasing decisions. In addition, NFL also realized that to keep its attrition rates healthy (currently 10 percent) and keep growing, NFL must not only hire more women but also retain them and promote them to key positions.

"Economic conditions in Pakistan have changed. Secondary sources of income are now necessary to run households. Women are now eager to work. In response, many domestic firms, including NFL, are stepping up to become employers of choice for women, offering various benefits to tap into this new talent pool."

Abrar Hasan, CEO, NFL

In 1996, NFL professionalized its HR department and started making concerted efforts to attract and retain women in its workforce. This has contributed to a steady increase in the number of women employed at NFL. Various departments, such as packaging, have higher proportions of women than men. While NFL has been able to steadily increase the share of women in its workforce, women in the company remain concentrated in non-managerial jobs. NFL aims to enable women, particularly working mothers, to advance into supervisory and managerial roles.

Driven by leadership commitment and a strong tone at the top, NFL has in the last few years focused on introducing family-friendly policies to hire the best talent, keep attrition healthy, and create a strong female talent pipeline, ultimately enabling more women to join NFL as employees and leaders.

HOW NFL CREATED A FAMILY-FRIENDLY WORKPLACE

Starting with a commitment to becoming an equal opportunity employer, NFL focuses on hiring the right skills, rather than the right gender, for a job. Primary concerns for NFL when hiring for a new position are the technical skills needed to do the job, the associated organizational health and safety requirements, and the availability of the right tools for all employees, women and men, to perform their jobs. NFL's family-friendly policies stem from the company's goals of becoming an equal opportunity, women- and family-friendly company.

1. NFL's comprehensive childcare solution for working parents: In 2017, NFL established an on-site daycare facility to cater to the needs of working parents, both mothers and fathers, with young children. The facility is staffed with two trained caregivers experienced in caring for infants and toddlers as well as young children. Parts of the facility, except the breastfeeding area, are monitored through security cameras. When the daycare was first established, employees were invited to tour the facility with their families, which NFL believes created a sense of ownership and built trust. Potential recruits are also made aware of the daycare facility through NFL's social media websites and recruitment drives and a tour of the daycare facility is included in onboarding sessions for new recruits. NFL also provides pick and drop for female employees, including mothers and their children. While the daycare facility can accommodate up to 10 children, currently only four female employees use the daycare on a daily basis while two male employees occasionally bring their children to the daycare.

2. Flexible work arrangements: NFL introduced flexible working hours that allow employees to begin their nine-hour workday at 8:00, 9:00 or 10:00 am, depending on their family needs. Employees are also allowed to work from home under certain conditions and based on needs. Managerial approvals are required to utilize work-from-home options, provided these do not negatively impact productivity.



“Diversity comes with a lot of responsibility; we need to create the right work environment and build harassment-free, family-friendly workplaces in which women, especially young mothers, feel welcome and can thrive.”

Saira A. Khan, Director HR, NFL

3. Medical allowance extended to families: NFL provides an additional 10 percent of the basic salary as a medical benefit on top of the overall salary every month, which can be used by employees as well as their immediate family members. This benefit is in addition to life and health insurance provided to employees.

THE BUSINESS IMPACTS OF NFL'S FAMILY-FRIENDLY POLICIES

NFL's costs of running the daycare facility through its operations department is approximately Rs. 100,000 (around USD 750) per month. This amount includes salaries of daycare staff, maintenance, and utilities. Given that six parents currently utilize the facility, this translates into a per-

employee cost of Rs. 16,667 (around USD 125) per month. NFL perceives that the business benefits related to childcare, such as greater gender diversity and higher maternity return rate and employee satisfaction, help offset the costs of running the facility.

Recruitment and Retention

Between 2016 and 2018, the share of women in the NFL's workforce and management has increased significantly: NFL has recorded a 65 percent increase in the number of women in the workforce (from 23 to 38 women) and 117 percent increase in the number of women in management (from 6 to 13 women) during this period. NFL attributes some of this increase to its family-friendly initiatives, which provide the necessary support mothers need to take on managerial roles as well as roles with profit and loss responsibility, allowing NFL to reap the benefits of a gender diverse leadership.

NFL has also experienced a high maternity return rate. In 2017, when the daycare center was established, 4 women went on maternity leave, returned, and were still employed in 2018,

"I applied for the job knowing that NFL is providing daycare services. I read about it on NFL's website as well. Without the daycare facility, I would not have been able to re-enter the workforce after becoming a mother."

Mother and new recruit using NFL's daycare facility

resulting in a maternity return rate of 100 percent. NFL deems its family-friendly policies as necessary to keep attrition rates healthy—presently at 10 percent—a critical factor in realizing NFL's growth and gender diversity goals.



“Diversity brings along higher ROI, better creativity and contribution in terms of value—women are, in that sense, much better multi-taskers—their planning and execution skills bring a lot of value to the company.”

Abrar Hasan, CEO, NFL

Market Access

NFL is the market leader in multiple market categories, including recipe mixes, ketchup, pickles, salt, and branded spices. NFL attributes some of this success to the steady increase in the number of women in its workforce, particularly in profit-driving roles in product development, business strategy, and marketing departments. Gender diversity in these roles allows NFL to better align its products, business strategies, and market campaigns with the needs of its primary target market: women.

Reputation

In an industry where local companies face stiff competition from multinationals in terms of talent management, NFL believes that its investments in its people and family-friendly policies set it apart and contribute to strengthening NFL's brand and growing reputation as a family-friendly employer of choice for women. As a result of its efforts, National Foods recently won the Gender Diversity Award by the CFA Society Pakistan.

Word of NFL's family-friendly policies continues to spread to potential job candidates through social media and other means. Hiring managers at NFL confirmed that female candidates for job positions routinely ask about the daycare facility during interviews and recruitment drives.

Employee Satisfaction

For NFL, happy and engaged employees build a better business. In focus group discussions and one-on-one interviews, various NFL employees shared that NFL's family-friendly policies in general and the daycare center in particular help significantly reduce stress levels among working mothers, enhancing their well-being and peace of mind, and boosting their morale and productivity.

WHAT'S NEXT FOR NFL?

Building on its vision and goals, NFL is committed to becoming a family-friendly employer of choice for women. To that end, the company is planning to boost enrollment in its on-site daycare facility by promoting the daycare center, creating awareness about the benefits of daycare versus informal care, and encouraging both male and female employees to utilize the facility. Based on employee demand, NFL aims to enhance the quality of care being offered in the daycare center by including an early learning component, a playground area, and CCTV cameras linked to work desks to enable parents to keep an eye on their children in the daycare.

NFL also plans to supplement its on-site daycare with complementary policies, including a standardized flexible-hours policy, mentorship programs, and parent support groups to nurture new mothers and fathers, as well as returnship programs to encourage employees to return to work after

“All policies were once non-existent. We have been growing as a business, so we kept on developing policies keeping in mind the needs of our employees and the business.”

Sana Abbas, CSR & Corporate Communications Lead, NFL

taking a career break. Introduction of paternity leave for the first time in the company's almost 50-year history is next on NFL's agenda as well as encouraging more fathers to enroll their children in NFL's daycare. NFL also aims to establish a women's network and forum led by its two female board members to solicit ideas and feedback from female employees to make NFL an employer of choice for women.

NFL aims to more actively advertise family-friendly policies as part of its employer value proposition to potential employees. For its existing employees, NFL plans to deliver internal awareness campaigns, as not all employees are aware of the benefits being offered by NFL. For example, not all employees know that working from home is a family-friendly benefit that can be availed by keeping respective line managers in the loop. NFL is aware that it would need to create more opportunities to make it easier for employees to work from home.

As NFL expands its family-friendly offerings, the company aims to continue collecting quantitative and qualitative data and gathering employee feedback to improve its family-friendly policies and build a more robust business case for such policies.

"My husband and I do not have a support system in Karachi because we moved here from another city. Without NFL's daycare facility, we would run out of options and I would have to stay at home to care for our toddler."

Mother using NFL's daycare facility



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