



# Tackling Childcare: The Business Case for Employer-Supported Childcare

CASE STUDY

**MAS Kreedat Al Safi-Madaba**  
Garment Manufacturing, Jordan

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**Economy name:**  
Jordan

**Main business city:**  
Amman\*

**Region:**  
Middle East and  
North Africa

**Income level:**  
Upper middle  
income

**Population:**  
6,607,000

**Female population:**  
3,237,104

**Labor force  
participation (15+):**  
14% female  
64% male

**Compulsory  
primary education  
enrollment age:**  
6 years



## Leave policies

Paid maternity leave	Yes	70 days
Paid paternity leave	No	0
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 4 years old
Based on the number of female employees?	Yes, 20 women or more	Yes, 20 women or more with children up to 4 years old
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)	Yes, <small>(monetary support for establishment, furnishing and operation of nurseries in the workplace)</small>	Yes, <small>for children up to 4 years old (monetary support for establishment, furnishing and operation of nurseries in the workplace)</small>



## Quality of private childcare services

License or registration required?	Yes	Yes
Zoning requirements?	Yes	Yes
Pupil-teacher ratio required?	Yes	Yes
Penalties for non-compliance with laws?	Yes	Yes

\*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](http://wbl.worldbank.org)

# MAS Kreeda Al Safi-Madaba

## Garment Manufacturing, **JORDAN**

### PARENTS, WORK, AND CHILDCARE IN JORDAN

In 2016, only 14 percent of women in Jordan participated in the labor force, compared with 64 percent of men, making Jordan the second-to-last country worldwide in percentage of women working outside the home.<sup>1</sup> Women experience high unemployment: 25 percent of women are unemployed, compared with 14 percent of men. The overall unemployment rate is 16 percent for the country (ILO/IFC, 2017). Although women's employment in industry is relatively unusual, the garment sector in Jordan employs an almost entirely female workforce. However, only about a quarter of the workforce—or 16,000 out of 65,000 workers—are Jordanian; the large majority are migrant workers from countries such as Bangladesh, India, and Sri Lanka (ILO/IFC, 2017). Both migrant and Jordanian women working in the garment industry, many of whom are young, unmarried, and without families of their own, typically hold positions on production lines, as sewers or cutters, for example, with management and executive-level staff largely comprised of Jordanian men.

For women who want to enter the workforce, the lack of a robust, affordable childcare infrastructure can present a major barrier to their ability to hold paid employment (World Bank, 2014). According to the director of a high-end private childcare center in Amman, private childcare centers are expensive and fairly uncommon in areas outside of cities. High-quality center-based care in Amman can cost up to 3,000 Jordanian dinars (roughly \$4,200) per year and are often only open for the nine-month academic year. Women interviewed for this case study said that childcare arrangements in villages can cost between 50 and 100 Jordanian dinars (\$70–\$141) per month, which can be a hefty expense for parents earning minimum wage, which, as of February 2017, is 220 Jordanian dinars, or approximately \$310 (ATUC, 2017). Women in rural areas (for cost as well as cultural reasons) largely rely on family, friend, and neighbor care, which costs between 25 and 50 Jordanian dinars (\$35–\$70) per month. (The fees cover services, food, and other necessities provided by nonparental relatives or friends and neighbors. For example, a sister or cousin would be paid, though usually not the children's grandparents.) Compulsory schooling starts at age six, yet private

#### MAS Kreeda Al Safi-Madaba's **Employee Profile** (April 2017):

- 92% of 406 employees are women (374 women; 32 men)
- 19% of women (71) and 75% of men (24) have children under age six

#### MAS Kreeda Al Safi-Madaba supports **employees with children** through:

- On-site childcare center
- Free transportation to and from the factory for mothers and children
- Doctor and nurses available to serve employees as well as children
- On-site breastfeeding accommodations
- Corporate-wide "Women Go Beyond" initiative to support women as managers/executives

#### Main **business impacts** of offering childcare support:

- Recruitment and retention of female employees in a region with low maternal employment and strong culture of mothers not working outside the home
- Access to buyers requiring compliance with national labor laws

childcare centers can only serve children under age four, the age at which, in theory, children can enter noncompulsory preschool (UNESCO, 2011). However, few preschool programs are offered by public and private schools, according to an Amman-based childcare center director interviewed for this case study, meaning that most parents of children ages four and five are left with no option other than home-based care.

Since 1996, employers with at least 20 women on staff who have among them at least 10 children younger than age four by law must provide care for those children by a trained nurse at an adequate childcare facility (Labor Law No. 8 of 1996, as Amended, Art. 72).<sup>2</sup> To satisfy the law, qualifying employers must either build an on-site facility to provide care to workers' children or establish a shared, off-site childcare center that serves children of employees of multiple employers (Instructions No. 1 of 2013 on Licenses for Employer-Provided, Private and Voluntary Childcare, Art. 3). Article 72 of the Labor Law has largely gone unenforced and most private sector employers remain without childcare supports. Recently, however, growing civil society and nongovernmental (NGO) advocacy has encouraged an upswing in private sector compliance (Hazem, 2016).

In Jordan, women receive a total of 10 weeks of job-guaranteed maternity leave with 100 percent pay, with at least six of those weeks taking place after delivery. Once they return to work, employed women may take one paid hour per day for breastfeeding for up to one year following childbirth (Labor Law No. 8 of 1996, as Amended, Art. 71). Women who work at an establishment with 10 or more employees also have the right to take up to one year of job-guaranteed, unpaid leave for childrearing after maternity leave, on the contingency that they do not engage in any other paid employment during that time (Labor Law No. 8 of 1996, as Amended, Art. 67).

This case study examines how MAS Kreeda Al Safi-Madaba, a leading garment producer in Jordan and a subsidiary of Sri Lankan garment conglomerate MAS Holdings, is supporting its employees with on-site childcare in one of their two factories. The company's childcare center, which began serving children in August 2016, is successfully supporting the childcare needs of its largely female workforce, and has made MAS Kreeda Al Safi one of just a handful of employers in Jordan who have actively sought to comply with the country's childcare mandate.<sup>3</sup>

## **MAS KREEDA AL SAFI-MADABA COMPANY BACKGROUND**

MAS Kreeda Al Safi is the Jordanian manufacturing arm of MAS Active, the activewear unit of MAS Holdings. MAS Holdings, a design-to-delivery conglomerate founded in 1987 and today worth \$1.6 billion, is headquartered in Sri Lanka and has 48 manufacturing facilities in 15 countries.<sup>4</sup> MAS Kreeda Al Safi ("Kreeda" being the Arabic translation of "active") has its main manufacturing plant in Sahab, a qualified industrial zone (QIZ), though MAS Kreeda Al Safi has opened a satellite unit that employs mostly Jordanian workers.

## **MAS KREEDA AL SAFI-MADABA'S BUSINESS CONTEXT FOR SUPPORTING CHILDCARE**

MAS Kreeda Al Safi's satellite factory, where this case study was conducted, is located near the town of Madaba, a rural community located roughly 55 km from the city of Amman. The Al Safi-Madaba satellite, which MAS Kreeda took over in 2015 from American company Val D'or Apparel, is part of the Jordanian government's initiative to incentivize greater private sector employment of Jordanians, particularly women, in rural areas as well as in the garment industry (IFC/ILO, 2017).

MAS Kreeda came to Jordan in 2014, in part as a result of urging by a major U.S.-based buyer, but also to take advantage of the country's free trade agreements with the United States and other countries. This buyer requires all its producers to follow rigorous production standards, including adhering to

**Women in Leadership Positions at MAS Kreeda Al Safi-Madaba**

**43%** executives (6 out of 14)

**0%** managers (0 out of 2)

**87%** supervisors (26 out of 30)

**95%** team members (342 out of 360)

a code of conduct and complying with all relevant laws of the land, which, in Jordan, includes the Labor Law’s private sector childcare mandate. Although complying with Article 72 represented an ambitious investment by MAS Kreeda Al Safi, compliance is both a mechanism for securing contracts with the U.S. buyer, and consistent with MAS Kreeda’s values-driven, people-centered corporate culture.

The Madaba facility employs 406 workers, or 21 percent of MAS Kreeda Al Safi’s total workforce, which is nearly all female—374 (92 percent) of the company’s 406 employees are women. The company currently employs 71 mothers, or 18 percent of its total workforce. MAS Kreeda Al Safi-Madaba expects that the number of mothers in the workforce will rise since over a third of its current employees are younger than 24 years old, and may not yet have started their families. The majority of women at the Madaba satellite (91.5 percent, or 342 women) are employed as team members who work on production lines, although many line supervisors are women as well (26 out of 30 total supervisors). Although there are no women employed at the management level and just six are employed at the executive level, MAS Kreeda Al Safi is currently implementing a corporate-wide MAS Holdings’ “Women Go Beyond” initiative focused on empowering women by facilitating their advancement into management- and executive-level positions.<sup>5</sup> This initiative

goes hand in hand with the company’s recent childcare offering to facilitate the employment and retention of women employees at all levels.

MAS Kreeda Al Safi-Madaba differs significantly from the company’s main factory at Sahab in that its workforce is nearly all Jordanian (98 percent), whereas the Sahab factory relies almost exclusively on migrant workers, who live on-site and generally do not yet have children or do not bring them with them while on contract. MAS Kreeda Al Safi-Madaba’s workforce commutes to and from the factory, which is located in proximity to their homes and families, and it is not uncommon for workers to take time off to attend to personal needs or responsibilities. Cultural norms surrounding women’s participation in paid employment and the regulatory code, which requires married women to get their husband’s permission to work or travel outside the home (Jordanian Personal Status Law, 2010), can also cause conflict within families, sometimes affecting the workplace directly. Absenteeism and turnover represent primary human resource challenges for the factory.



THE CRÈCHE AT MAS KREEDA AL SAFI-MADABA RECEIVED SUPPORT FROM VARIOUS PUBLIC SECTOR ENTITIES.

PHOTO: COURTESY OF MAS KREEDA AL SAFI-MADABA

## HOW MAS KREEDA AL SAFI-MADABA SUPPORTS EMPLOYEES WITH CHILDCARE NEEDS

To serve the children of mothers employed by MAS Kreedaa Al Safi-Madaba, the company’s on-site childcare center provides free, quality childcare, in addition to a space for breastfeeding mothers. Workers also benefit from free transportation with their children to and from the facility and free on-site basic medical services provided by the company to its employees and to the children who are enrolled in the childcare center.

### On-site childcare center

MAS Kreedaa Al Safi-Madaba’s childcare center officially opened in August 2016. As of April 2017, the center served 36 children and 30 mothers, and employed five caregivers, including the Childcare Center Manager, and one janitor. Initially, two working fathers enrolled their children in the center (though they removed their children from it for personal reasons unrelated to the center or the company within the first two to three months of the center’s opening). As demand increased for slots, the company began to enforce a policy of only serving the children of women employees, though management is hopeful they can eventually expand services to fathers of young children once again, if there is sufficient demand.

The center has four classrooms. Children are not allowed in the factory itself, but the center does have an outdoor space with a fenced-in playground. The center hours mirror those of the factory, with care provided from 8:00 a.m. to 4:30 p.m. six days a week year-round. During Ramadan, hours are abbreviated, but still align with factory working hours (8:00 a.m. to 3:00 p.m.). Women bring their children with them on buses provided by the company to all workers free of charge, and pick up their children after they are released from work to return home on the same buses.

Caregivers engage children in age-appropriate learning and play activities. Depending on their age, children learn the alphabet, prayers, and do basic skill development exercises, in

### Childcare Center Use (as of April 2017)

36

#### children served:

- 8 children ages 3 months–1 year
- 9 children ages 1–2 years
- 9 children ages 2–3 years
- 10 children ages 3–4 years

30

#### mothers served:

- 27 team members (including 4 childcare staff)
- 3 managers, including the Childcare Center Manager

12

#### children on the waitlist

addition to recess, naptime, and other activities. Caregivers conduct skill assessments every three months, allowing mothers to track their children’s progress. Mothers are also given an opportunity at that time to share concerns or questions with the center and provide feedback, which so far has nearly all been positive. At this stage, the company does not provide any early childhood development programs, though the Childcare Center Manager, Razan Al Ajaneen, and CEO Farhan Ifram hope to introduce them over time.

At first, women were hesitant to bring their children to the new childcare center. A survey conducted prior to MAS Kreedaa’s purchase of the facility found that, while women were very interested in receiving support for their childcare needs, they preferred childcare subsidies to a physical center. As Madaba Human Resources Executive Reem Abo Al Ghanm explained, women felt uncomfortable with having their children at the factory, which was seen as an unsuitable environment for children; they were concerned about the safety of transportation to and from the factory; and they were not convinced that having strangers care for their children would be better or safer than family members or neighbors, whom they

know and trust. This hesitancy largely dissipated, however, once mothers began using the center, and, as mothers' satisfaction with the center has spread by word of mouth, demand for slots has increased rapidly. Al Ghanm herself has her four-year-old daughter enrolled in the center and plans to enroll her infant son as soon as she feels he is old enough to be around other children.

As Bhatiya Karunathilaka, General Manager of MAS Kreeda Al Safi, described, "I have been getting nonstop questions from women about whether there is space for their children [at the childcare center]. This level of demand, to me, means the center is a success!" At capacity since March 2017, the center now has a waitlist of 12 children. Although the center's square footage is large enough to legally serve 50 children, this would make the classrooms quite crowded. In addition, to maintain appropriate teacher-to-child ratios, the center would need to hire additional caregivers to allow them to offer more than 36 slots (the number of additional caregivers would depend on the ages of the children enrolled).

When a slot becomes available, which usually occurs when one of the current users turns four or a woman resigns from the company, women on the waitlist are selected based on

**"Before the childcare center, I had to walk to my relative's house to drop my child there even in winter. I would often have to stay at home when my child was sick, especially in winter, or if my relative was unavailable to provide care. But now with the childcare facility and transport, it is so much easier. We rarely use our leave."**

**Childcare center user**



THE MAIN PLAY AREA OF THE AL SAFI CRÈCHE.

PHOTO: COURTESY OF MAS KREEDA AL SAFI-MADABA

the length of time they have worked at the company. There is no cap on the number of children a mother can enroll in the center, as long as slots are available and the children are under age four. Slots for children whose mothers are on maternity leave are held until they return to work (this is currently the case for three mothers), but other children can temporarily use those slots.

### **Supports for breastfeeding mothers**

The center provides mothers with a clean, private space to breastfeed on the factory grounds. Before the center opened, the company would give new mothers one day off from work per week (essentially combining the allotted weekly hours they have by law to nurse into one day) since there was no appropriate space for them to breastfeed at the factory. This one day off per week, however, inflated absenteeism rates and disrupted production lines. Now, new mothers can take one hour per day to breastfeed on-site, and can therefore work a full six-day work week, reducing absenteeism and maintaining consistent line productivity.

Deputy General Manager for Human Resources and Administration Hani Bostanji reported, "Company management noticed immediate impacts of childcare. Absenteeism has gone down in a short period. By law, after maternity leave, mothers get one hour of breastfeeding. Before the childcare, our women employees took one paid day off per week by adding up the six hours of breastfeeding per week. Now they do not have to take a day off as they can breastfeed in the childcare center."

**Leave Benefits at MAS Kreedaa Al Safi-Madaba**

**Paid maternity leave: 70 days, fully paid, job guaranteed**

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**Paid annual leave: 14 days**

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**Paid sick leave: 14 days, only for personal health issues; doctor's note required**

**Paid leave**

Women at MAS Kreedaa Al Safi-Madaba receive maternity leave as mandated by Jordanian law and described above. Jordan does not have any paternity or parental leave provisions, nor does the company provide any. All employees receive two weeks of annual leave and two weeks of sick leave, which they can only use for their own health (not to care for the health of a child or other family member) and must be validated by a doctor.

In the last three years, of the 25 women who took maternity leave, 19, or 76 percent, were still employed at least one year later, and 16, or 64 percent, have enrolled their children at the childcare center.

**Health services**

The company employs two nurses and one doctor, who are on-site every day, to provide basic care and screenings to employees as well as children enrolled in the childcare center. They have some basic medications available, and can prescribe and administer medicine to children in the childcare center (though employees are responsible for filling and covering the cost of prescriptions). The medical staff also help in situations where children experience a medical emergency.

**Transportation**

The company also provides transportation to and from the factory to all workers free of charge, including children who are

enrolled in the childcare center. MAS Kreedaa Al Safi-Madaba contracts with a bus company to provide the service, which picks up and drops off workers from bus stations and other central points in and around Madaba (the bus company's insurance covers liability for any injuries that occur in transit). Workers' commutes range from 20 minutes to 2 hours, depending on where they live.

**BUSINESS IMPACT OF MAS KREEDAA AL SAFI-MADABA'S CHILDCARE CENTER**

Although still new, MAS Kreedaa Al Safi-Madaba's childcare center has already had an effect on important business indicators, including benefits to the company's access to markets, its reputation, recruiting prospects, productivity, and workforce stability, in the form of reduced absenteeism, higher retention, and increased employee loyalty and satisfaction. Over time, the company can expect these benefits to grow, furthering progress toward its goals for production and growth, as well as cementing its position as "employer of choice" for (Jordanian) women who want to enter the labor market.<sup>6</sup>

**Costs of establishing a childcare center at MAS Kreedaa Al Safi-Madaba**

MAS Kreedaa Al Safi was not alone in navigating the unfamiliar world of caregiving. The company benefited greatly from support provided by an NGO that advocates for private

**Maternity Leave Benefits at MAS Kreedaa Al Safi-Madaba**

**Number of women who took maternity leave in the last three years: 25**

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**Number of women who returned from maternity leave and were still employed at least one year later, in the last three years: 19**

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**Number of women who returned from maternity leave in the last three years and used or are using the childcare center: 16**



PHOTO: COURTESY OF MAS KREEDA AL SAFI-MADABA

THE OUTDOOR PLAY AREA OF THE AL SAFI CRÈCHE.

sector provision of childcare in line with Article 72. Technical assistance from SADAQA, a Jordanian NGO founded in 2011 with a mission to improve workplace supports for women, helped as the company explored options and developed plans for establishing the center. SADAQA helped MAS Kreeda Al Safi design a layout for the center. The NGO also helped the company navigate the complicated licensing process, which involves complying with regulations and passing audits by three government agencies, in addition to an audit by their major U.S. buyer.<sup>7</sup> In MAS Kreeda Al Safi's case, this process was lengthy, and ultimately delayed the opening of the childcare center by two months. Support and guidance provided by Better Work Jordan—a joint project of the International Labor Organization (ILO) and the International Finance Corporation (IFC) committed to improving working conditions for workers in Jordan's garment industry and thereby enhancing factory productivity—also facilitated and supported the process.

In addition, MAS Kreeda Al Safi-Madaba's received substantial material support from the National Council for Family Affairs (NCFA). With funding from the European Union, the NCFA provides financial support of up to 20,000 Jordanian dinars (more than \$28,000) to companies setting up childcare centers in accordance with Article 72. The NCFA donated all the furniture for the company's new center, is subsidizing 50 percent of the caregivers' salaries for the first year of center operation, and provided the center's manager and three caregivers with a free 44-hour training on running a childcare center, which the other caregiving staff will soon also take.

After the donated technical assistance, furniture, and staff training, MAS Kreeda Al Safi-Madaba's initial investment in the center amounted to 80,000 Jordanian dinars (roughly \$112,800), which mainly went to the conversion of the existing factory warehouse into a childcare center. Maintaining the center is relatively low cost, with staff salaries and utility expenses totaling approximately 3,000 Jordanian dinars per month (\$4,000 per month, or \$48,000 per year). Although these costs are expected to rise slightly when the support from the NCFA expires, as Naser Al Turk, Deputy General Manager of Finance, explained, "This is not a big number in comparison to the cost of a delivery failure or error when employees are not motivated or focused."

### Recruitment

The company's reputation for supporting working mothers is attracting a new pool of applicants who would not have considered taking paid employment before the childcare support was established. Al Ghanm reported an increase in job applications in the months since the childcare center was established: "We have seen the perception of Al Safi in the surrounding communities improve as a result of the center. Now women are coming to Al Safi specifically because of the

**"Our company's reputation in the community was already good but with the childcare center it is even better because people think that the company is keeping mothers and children together and not separating them. Even family members encourage women who are not working to join this factory because of the childcare facility."**

**Female line supervisor**



PHOTO: COURTESY OF MAS KREEDA AL SAFI-MADABA

ANOTHER VIEW OF THE OUTDOOR PLAY AREA OF THE AL SAFI CRÈCHE.

center's existence." One line supervisor echoed this sentiment saying, "Our company's reputation in the community was already good but with the childcare center it is even better because people think that the company is keeping mothers and children together and not separating them. Even family members encourage women who are not working to join this factory because of the childcare facility."

Some of the mothers interviewed for this case study specifically referenced the childcare center as the reason they applied for a job at the factory. One woman, whose daughter is currently using the center, is also four months pregnant: "I always stayed at home and took care of kids. This is my first job and the childcare facility here is the main reason why I was able and willing to start working." Having worked at MAS Kreeda Al Safi-Madaba for just six months, she hopes to come back to work as soon as her maternity leave is over and bring her new baby to the center as well. Despite her desire to remain employed at the company, she knows that an available slot is not a certainty, which could make coming back to work harder. Another mother, who has two children, aged seven months and two years, also reported that her decision to join MAS Kreeda Al Safi-Madaba's was, in part, predicated on the knowledge that the factory has a childcare center. Although neither of her children are currently served by the center (her family prefers to have her children at home while she is at work) she feels comforted knowing that a safe, quality source of care is available to her should she ever need or want to change her arrangement.

Workers and staff alike express an awareness that local communities now view MAS Kreeda Al Safi-Madaba as an attractive employer who values family and supports the mothers they employ. This reputation is important both for the company to retain its position of "employer of choice" for local women, but also for the families of women who want to work. Given that women's participation in the formal labor force is still emerging as normal and acceptable in traditional Jordanian culture, an employer known for valuing and supporting motherhood may increase families' acceptance of female family members who decide to take a job at the company.

### Retention

The childcare center is also having a positive impact on the retention of workers. Appreciation for the care support, in addition to the comfort and convenience of having their children on-site while they are at work, makes beneficiaries eager to remain employed at MAS Kreeda Al Safi-Madaba. Numerous employees also expressed appreciation that the company has made a targeted effort to keep mothers close to their children. Both mothers who have been employed there for many years and those who are still relatively new express enhanced loyalty to the company and a desire to retain their jobs now that the childcare center is serving employees' children. This loyalty is also echoed among women who are expecting a new baby or hope to start a family in the future. As one line supervisor said: "The center does influence me [even though I do not have any children yet] because it makes me feel better knowing it is there."

**"Having the childcare center maximizes our investment in local Jordanian talent by increasing the longevity of our workforce."**

**Bhathiya Karunathilaka, MAS Kreeda Al Safi General Manager**

**“The center does influence me [even though I do not have any children yet] because it makes me feel better knowing it is there.”**

**Female line supervisor, no children**



PHOTO: COURTESY OF MAS KREEDA AL SAFI-MADABA

ONE OF THE CLASSROOMS FOR TODDLERS AT THE AL SAFI CRÈCHE.

MAS Kreeda Al Safi executives recognize these retention benefits. CEO Ifram sees the childcare center as a critical lever for fostering employee loyalty and satisfaction, which can only mean positive outcomes for the business: “We conducted a survey after the childcare center opened and saw that loyalty, happiness, and satisfaction have gone up among married *and* unmarried women employees. Unmarried women see the childcare as an enabling factor in their decision to settle down and have kids. We believe that a happy workforce is a productive workforce.” General Manager Karunathilaka agreed, “Having the childcare center maximizes our investment in local talent by increasing the longevity of our workforce.”

### **Employee absenteeism and turnover**

The childcare center has resulted in reduced volatility in attendance and turnover among beneficiaries. Since the center opened, absences due to sick leave have fallen by 9 percent. Deputy General Manager of Finance Nasir Al Turk pointed to the financial and productivity benefits that the center brings via reduced absences related to childcare: “If each of these 30 women [childcare users] is absent once every month then the company would lose around 300 Jordanian dinars (JOD) (\$423) per month. This would lead to a productivity loss as well since many of these women are involved in production. With childcare, absenteeism among childcare users has significantly gone down.”

Mothers with children in the center also report needing to take off fewer days from work to care for sick children or to fill in when their caregiving arrangement falls through, and supervisors have noticed a reduction in planned and unplanned absences among childcare center users. Prior to the existence of the MAS Kreeda Al Safi-Madaba childcare center, care options were relatively limited for mothers, and taking annual leave to care for sick children or to fill in last minute for a failed care arrangement was not uncommon.<sup>8</sup> As Al Ghanm explained, “If their children got sick, female employees would take unscheduled leave without notice. As this is a rural area, women also worry about where they will leave their 70-day-old child after maternity leave.”

Now, the childcare center allows mothers to drop their children off at the center and know that they will be in good hands even when they are sick, given that there is an on-site clinic as well. As a result, beneficiaries come to work more often and report rarely needing to take annual leave since the center was established. One childcare user describes her experience before and after the childcare center’s establishment: “Before the childcare center, I had to walk to my relative’s house to drop my child there even in winter. I would often have to stay at home when my child was sick, especially in winter, or if my relative was unavailable to provide care. But now with the childcare facility and transport, it is so much easier. We rarely use our vacation days now to take leave.”

In addition to the childcare center, MAS Kreeda Al Safi-Madaba has established several targeted policies and programs to address the issue of absenteeism. The facility recently introduced absenteeism forecasting, a policy that requires all employees to request leave at least four days in advance. Unplanned absences result in the docking of one day of annual leave. Employees are also rewarded for limiting the number of days they are out of work—a bonus of 13 Jordanian dinars (roughly \$18) is given to workers who only take up to one day of sick leave and one day of annual leave per month. In addition, MAS Kreeda Al Safi-Madaba has established a “jumper” system that involves having workers with diverse skillsets ready to fill in for absent employees. These measures seem to be working: unplanned absences are down 2.4 percent since the policy was implemented in September 2016 (January to August 2016 compared with September 2016 to April 2017).

### **Employee productivity**

Childcare center user and supervisor reports of improved focus and engagement at work have important implications for productivity. Put in context by Deputy General Manager

**“Absenteeism has gone down in a short period. By law, after maternity leave, mothers get one hour of breastfeeding. Before the childcare, our women employees took one paid day off per week by adding up the six hours of breastfeeding per week. Now they do not have to take a day off as they can breastfeed in the childcare center.”**

**Hani Bostanji, MAS Kreeda Al Safi Deputy General Manager for Human Resources and Administration**

**“I am now more focused at work because my child is here with me at the factory; I don’t have to constantly wonder how he is during the day.”**

**Female team member, childcare center user**

of Finance Al Turk, when errors in production are made, “the company may have to ship products by air, and each error-related shipment costs \$12,000-18,000. When workers are happy (such as through the childcare), productivity and efficiency are high, errors are low, workers meet all their deadlines, and our annual cost of running the crèche can be easily met.”

Childcare center users and their colleagues report experiencing a number of benefits since the establishment of the childcare center. Mothers using the childcare center reported that the knowledge that their children are nearby and safe allows them to concentrate without feeling anxiety or distraction at the thought of how their children are faring. They can also visit their children at the center during lunch or on breaks, forgoing their need to call their caregivers and check on their children while at work. As one mother put it, “I am now more focused at work because my child is here with me at the factory; I don’t have to constantly wonder how he is during the day.”

On the production line, supervisors have noticed the mothers’ increase in focus. One line supervisor confirmed that the three mothers on her line who use the center have become more present and productive since their children have been coming with them to work. Observing the three mothers over time, she has noticed a change in their demeanor. Before, they were often away from the line, on the phone checking on their children. Now with the childcare center, they are more present, take fewer breaks throughout the day, and generally seem more engaged at work now that they do not have to part from their children.

### Access to markets

As noted earlier, MAS Kreeda Al Safi came to Jordan in part as a result of urging from its major U.S.-based buyer, which requires its suppliers to follow rigorous production standards and adhere to a code of conduct that includes compliance with all relevant laws of the land. In Jordan, this includes complying with the private sector childcare provision mandate.

Coming into compliance with Article 72 of the Jordanian Labor Law by building the company childcare center allowed MAS Kreeda Al Safi to solidify its relationship with this buyer, on which it has pinned substantial plans for future business growth. Establishing the childcare center was just the next step in ensuring the success of this partnership and gives the company a competitive advantage, given that few of its competitors provide childcare in compliance with the law. Today, the company is one of the most highly rated on the buyer's rating scale, having achieved a "bronze" rating, which few of the buyers' other producers have achieved. Having the childcare center also keeps the company in compliance with the Labor Law, avoiding potential governmental fines of up to 500 Jordanian dinars (\$700), while solidifying its position as an industry leader that is committed to upholding international and local labor standards that empower workers and lead to the most productive, profitable business outcomes.

**"The center has helped women to focus because they used to think about their kids all the time while at work and separated from them; it is also saving women money because it is free care."**

**Female team member, mother, not using the childcare center**

**"By establishing this childcare center, we are solidifying our company's reputation as a pioneer and employer of choice for women in rural areas since childcare is enabling more skilled women to enter the workforce. Our efforts have been recognized by the Government of Jordan and the ILO/IFC Better Work program."**

**Farhan Ifram, CEO, MAS Kreeda Al Safi**

### Company reputation

With a motto of "Change is Courage," MAS Holdings has a corporate-wide commitment to innovation and a strong value system that guides its mission to "Inspire, Build, and Achieve." At both the corporate level and within the MAS Kreeda Al Safi-Madaba branch, pride and dedication to promoting an ethical and sustainable working environment were key to the decision to build the childcare center. MAS Kreeda Al Safi-Madaba has received positive public attention since its decision to establish the center. King Abdullah of Jordan visited the Madaba factory in 2016 to showcase the successful satellite unit, and an ILO video profiled the center, its role in improving supports for working mothers, and the company's collaboration with Better Work Jordan. MAS Kreeda Al Safi is one of only six garment factories that are compliant with Article 72 (i.e., they provide on-site childcare facilities) out of the 67 with which Better Work Jordan is collaborating to improve the working conditions and increase the competitiveness of Jordan's garment industry (ILO/IFC, 2017). As CEO Ifram explained, "By establishing this childcare center, we are solidifying our company's reputation as a pioneer and employer of choice for women in rural areas since childcare is enabling more



skilled women to enter the workforce. Our efforts have been recognized by the Government of Jordan and the ILO/IFC Better Work program.”

## LESSONS LEARNED

The childcare center at MAS Kreeda Al Safi-Madaba has quickly become a valued and expected benefit for employees at the plant. It is, however, operating at full capacity with a waitlist of 12 children. The company is now considering how to more fully meet its employees' childcare needs. Among MAS Kreeda Al Safi-Madaba employees, there are, as of June 2016, 50 children within the eligible age range for care. Childcare Center Manager Al Ajaneen hopes they can eventually expand both in size and capacity so that both mothers and fathers can benefit.

CEO Ifram echoed this sentiment, and expressed his vision to “go beyond” Article 72 to maximize the company's investment in the center. Because of current capacity limits, the company must prioritize female employees' access to childcare, in addition to only serving children under the age of four. The fact that children ages four to five must now find care elsewhere after having been enrolled at the company's center could potentially reverse the positive benefits to working parents that allow them to come to work more regularly and remain employed after the birth of a child. The company hopes to address both issues by eventually expanding their services to the children of male employees and to children in the year before kindergarten.

For both existing users and possible expansion of the childcare facility, all management team members interviewed agreed that a major hurdle moving forward involves the children's safety during their commute to and from the factory. The company has been working with the transportation contractor to further upgrade the quality and safety of buses used.

Expansion of care to more children would require the company to invest additional resources. To maintain viability, the center will likely have to consider how to recoup at least some of the costs of maintaining and expanding it. Although the no-fee

model currently used is particularly valuable to beneficiaries, options such as a sliding-fee scale that bases fees on financial need or salary, charging small fees for care for four- and five-year-olds, or summer care for older children, could be considered.

## CONCLUSION

MAS Kreeda Al Safi-Madaba's childcare center is contributing to improved workforce stability, in the form of reduced absenteeism and improved retention, is supporting high and error-free production, and is reinforcing the company's reputation within the local community and country as a leading employer in the garment industry. In addition, it has strengthened the company's relationship with its major international buyer, securing access to an important market and supporting its strategic business objectives and plans for future growth.

The center is also a boon to the community, furthering the government's goal to increase the employment of Jordanians, particularly women, in low-income, high-unemployment regions. The childcare center facilitates the ability of mothers (as well as younger, unmarried women who hope one day to start a family) to take advantage of new opportunities for employment. It has also created new jobs for women as caregivers in the center. Company management values the center's impact on the community, and sees the company's contribution to the local workforce as integral to its business model. As General Manager Karunathilaka noted, “We want to contribute to our community and will continue to explore ways to engage with them to ensure sustainability via the local workforce.”

Moving forward, expanding care to all parents employed at MAS Kreeda Al Safi-Madaba, as well as to a larger age range of children, would enhance the benefits to reputation, productivity, and workforce stability that the company is already experiencing—doubling down on its existing commitment to working mothers, to local communities, and to the empowerment and advancement of women more broadly.

## Endnotes

- 1 See <http://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS>
- 2 The original text of the law specified 20 “married” women. However, a recent amendment to the article—established through a social dialogue process in 2010—removed that language. Although the amendment has not yet been endorsed by Parliament, it is currently being enforced in practice.
- 3 This case study is based on interviews conducted in person by International Finance Corporation (IFC) and Institute for Women’s Policy Research (IWPR) staff in Jordan in April 2017. Interviews were conducted with a range of employees, including the CEO, a corporate-level General Manager, company-wide and Madaba-specific Human Resource Managers, Deputy General Manager of Finance, and the Childcare Center Manager, in addition to focus groups with team members and supervisors with and without children who benefit from the childcare center. The case study involved site visits to both the MAS Kreeda Al Safi-Madaba satellite factory and the main MAS Kreeda Al Safi-Sahab production facility.
- 4 See MAS Holdings <http://www.masholdings.com/overview.html#overview>
- 5 See MAS Holdings’ “Women Go Beyond” initiative <http://www.masholdings.com/women-go-beyond.html>
- 6 Given that the childcare center opened in August 2016, IWPR/IFC researchers were able to establish a baseline based on specific indicators instituted by MAS Kreeda Al Safi-Madaba, such as enrollment, absences, and retention of mothers using the center, and measure subsequent changes between the center’s launch and the time of the interviews in April 2017.
- 7 Childcare centers must pass audits by the Ministry of Social Development, Ministry of Labor, and the Ministry of Civil Defense.
- 8 Sick leave can only be used for one’s own illness, and not to care for the health of a family member.

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