Tackling Childcare: The Business Case for Employer-Supported Childcare

CASE STUDY

Borusan
Industry/Heavy Manufacturing, Turkey
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September 2017
### Leave policies

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### Government incentives to employers to support childcare

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### Quality of private childcare services

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<td>Pupil-teacher ratio required</td>
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</tr>
<tr>
<td>Penalties for non-compliance with laws</td>
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</tbody>
</table>

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.*
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, with women’s labor force participation in Turkey remaining less than half that of men, at 32.5 percent in 2016 (Turkstat, 2016a). Reducing these gaps entails 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 Organisation for Economic Cooperation and Development (OECD) average of 63 percent (Devillard-Hoellinger et al., 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. This has an impact on women’s ability to take up paid work outside the home. A survey carried out by the World Bank found that 71 percent of women who had been in paid employment and decided to quit their jobs did so due to childcare responsibilities (World Bank, 2015). At the same time, recent poll data suggest 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 be able to combine paid work and family responsibilities (Gallup and ILO, 2017).

In this context, access to childcare can be instrumental in helping mothers in particular 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, especially in rural areas, affordability appears to be the main constraint on access to childcare. According to research by the World Bank (2015), average

In 2016, women represented
• 16% of Borusan Group’s overall workforce in Turkey

Borusan supports parents with children through:
• A childcare subsidy for Borusan Mannesmann employees
• Corporate social responsibility project funding the construction of crèche facilities in organized industrial zones (OIZs)
• Breastfeeding and lactation stations at all group locations
• Parents’ leave entitlements
• Flexible working and leave arrangements (where practical)
• Policies aiming to increase gender diversity and support women’s employment and empowerment

Main business impacts of providing childcare supports:
• Attracting and retaining the best workers, at all levels of the organization
• Maintaining a positive corporate reputation by demonstrating leadership on women’s economic empowerment
• Attracting investment and business partners

BORUSAN EMPLOYEES AT WORK.
PHOTO: COURTESY OF BORUSAN
households in Turkey perceive the cost of formal childcare to be too high. Median monthly fees for full-day care range from 300 Turkish lira ($84) for public providers to 700 Turkish lira ($197) for private facilities. Both figures exceed the amount that 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 (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 with the Ministry of National Education are eligible for income tax exemptions for a period of five years and in 2014, private investment in kindergartens and daycare centers was added to the government’s list of priority topics for investment, making it eligible for a range of additional tax reductions (AFD and Development Analytics, 2015; see also Investment Support and Promotion Agency, 2017). Moreover, national law requires all workplaces employing more than 150 women (irrespective of age or marital status) to provide childcare services. 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 initiatives introduced by Borusan Group (“Borusan” or “the Group”), a Turkish industrial group, to support working parents with their childcare needs by providing childcare subsidies and through a corporate social responsibility (CSR) project funding the construction of crèche facilities in organized industrial zones (OIZs). Borusan’s main benefits come from attracting and retaining the best workers, at all levels of the organization, and from maintaining a positive corporate reputation by demonstrating leadership on women’s economic empowerment.¹

COMPANY BACKGROUND

Established in 1944 as an iron-steel producer, Borusan is one of Turkey’s leading industrial conglomerates, comprising 16 subsidiary companies and employing some 9,000 people in 12 countries.¹ Borusan companies are divided into one holding and four groups: the steel group, the distributorship group, the logistics group, and the renewable energies group. The Group’s headquarters (and those of most of its subsidiaries) are located in Istanbul, and the bulk of production and logistics facilities are concentrated in the nearby Bursa-Gemlik area.

Borusan has experienced impressive growth in recent years. The Group enjoyed an annual growth rate of 23 percent from 2001 to 2010, with revenues doubling from $2.4 billion in 2006 to $4.3 billion in 2016. Steel and distributorship continue to be the cornerstone of Borusan’s success, together accounting for more than 75 percent of total group revenue in 2016; however, the company has identified renewable energy and logistics as likely growth areas in the future.

BORUSAN’S BUSINESS CONTEXT FOR SUPPORTING CHILDCARE

After more than a decade of strong growth, domestic and regional political developments and the depreciation of the Turkish lira have clouded Turkey’s economic outlook since 2015. Although the overall economy, helped by fiscal and monetary policy, demonstrated resilience to severe shocks, the business climate in Turkey remains subdued in light of political and economic uncertainties. The manufacturing sector is not exempt from this: weakening demand, both domestic and external, has forced producers to explore additional market opportunities to maintain growth (OECD, 2016a; World Bank, 2017).
Borusan is well aware of these challenges: the company is constantly striving to enhance productivity and to anticipate and adapt to changes in its operating environment, with innovation underpinning its strategic outlook (Borusan Holding, 2016). In this equation, people are a crucial variable and an important challenge. The increasingly specialized nature of the export-oriented manufacturing industry requires a growing number of skilled technicians, and Turkey’s vocational education system is not currently suited to serve this demand (OECD, 2016b). A 2013 survey found laborer, production operator, mechanic, engineer, and technician to be among the top 10 jobs Turkish employers have the most difficulty filling (Manpower Group, 2013).

In this context, offering quality employment and competitive benefits, such as support for employees to balance work and family responsibilities, becomes part of a broader and strategic effort to attract and retain the best workers, women and men alike. Recent improvements in female labor force participation in Turkey—up from 23 percent in 2007 to 31 percent in 2015 (World Bank, 2016)—so far have been largely attributable to the employment of women in the country’s growing service sector. Few women seek employment in the industrial sector, which accounted for 16 percent of female employment in 2016 across the country, with slightly higher levels in Istanbul (25 percent) and Bursa (30 percent), where the majority of Borusan’s operations are located (Turkstat, 2016b).

Women in the industrial sector are particularly underrepresented in technical occupations, with strong sociocultural norms underpinning prevailing notions around the desirability and suitability of certain types of work for Turkish women (Oxfam and Tepav, 2015). With only 3 percent of women working as plant and machine operators in 2016 compared to 12 percent of men (Turkstat, 2016c), there are substantial opportunities for the industrial sector to tap into the female talent pool, and to open up new job choices and career pathways for women in the sector.

Against this background, finding the right people and maintaining high levels of staff satisfaction, motivation, and loyalty are important for Borusan in ensuring continuous commercial success. The Group’s activities on childcare, too, are geared toward attracting and retaining the best workers, keeping employee satisfaction levels high, and facilitating women’s participation in the labor market, particularly the industrial sector.

HOW BORUSAN SUPPORTS WORKING PARENTS WITH CHILDCARE NEEDS

Borusan supports working parents in a number of ways, with initiatives that benefit both Borusan’s employees as well as the broader (non-Borusan) workforce in the manufacturing sector. This case study focuses on two specific initiatives carried out by different entities within the Group: the “My Mom’s Job Is My Future” program, a CSR project funded by the not-for-profit Borusan Kocabıyık Foundation (through its own funds, as well as Group companies’ donations to the foundation); and a direct childcare subsidy program for blue-collar workers at Borusan subsidiary Borusan Mannesmann. These initiatives are considered within the context of the recently introduced “Equal Borusan” platform, which aims to promote and support gender diversity across the Group.

Through the “My Mom’s Job Is My Future” project, Borusan is funding the establishment of crèches in OIZs in areas with particularly high levels of female unemployment. The project, which does not benefit Borusan’s direct employees, is delivered through a public-private partnership (PPP) with the Turkish government.

With respect to its own workers, Borusan Mannesmann recently trialed a direct childcare subsidy provided to male blue-collar workers, while other Group companies are testing flexible working hour schemes to support employees with children. Going beyond statutory requirements, Borusan has put in place breastfeeding and lactation rooms at all Group locations. All employees enjoy maternity and paternity leave entitlements in line with statutory requirements, which provide four months of paid and six months of unpaid
maternity leave, as well as five days of paid leave for fathers. Moreover, Borusan is currently consolidating its flexible benefits and practice of granting working mothers and fathers additional leave to attend school meetings into a new, Group-wide HR and equality policy.

“My Mom’s Job Is My Future”: Provision of crèches in industrial zones

Since 2012, the Borusan Group has been running the “My Mom’s Job Is My Future” (Annemin İşi Benim Geleceğim) project, focusing on the provision of childcare in industrial areas throughout Turkey, with the aim of enabling women’s participation in the labor force. As one of the focus areas of its CSR activities, the Group promotes women’s empowerment not only in its own operations, but also in the broader industry and society, explained Canan Ercan Çelik, Chairwoman of Borusan subsidiary Borusan Danışmanlık and Secretary-General of the Borusan Kocabıyık Foundation: “We wanted to do something to enhance women’s employment, something that could serve working women’s needs nationwide. So we approached the Ministry of Families and Social Policy to discuss how we could make such a contribution to society.”

“My Mom’s Job Is My Future,” which is delivered through a PPP between the Borusan Group, the Ministry of Families and Social Policy (MoFSP), and the Ministry of Science, Industry, and Technology (MoSIT), foresees the establishment of crèches in 10 selected OIZs. The childcare centers are open to children up to six years old whose mothers work in the OIZs. Borusan has committed up to 5 million Turkish lira ($1.4 million) to the project, with OIZs for new crèches selected by the ministries according to the actual and potential levels of women’s employment. The Borusan Kocabıyık Foundation finances the construction of the crèches, including planning, building, and furnishing, with one Group company serving as sponsor for each facility and providing additional funding for toys and other equipment. The finished “Borusan Joy Factories” (Borusan Neşe Fabrikası) are then handed over to the OIZ management, who operate the facilities, including hiring teachers and obtaining operating licenses for the crèches from the MoFSP.

Since the opening of the first “Joy Factory” in Adıyaman in 2013, three more have been opened in OIZs in Malatya, Afyonkarahisar, and Balıkesir, sponsored by Borusan Yatırım (Malatya), Borusan Holding (Adıyaman and Afyonkarahisar), and Borusan Otomotiv (Balıkesir).

“The demand is definitely there. Already during construction, we had women in the OIZs approaching us, asking when the crèche would be opened.”

Öznur Halilciçoğlu, Corporate Communications Senior Specialist, Borusan Holding
Case Study: **TURKEY**

The Balıkesir OIZ was added following a 2014 mine accident in the nearby city of Soma, which left many women widowed and in need of employment to support their families (Yeginsu, 2015). “The demand is definitely there,” said Öznur Halıcıkoğlu, Senior Corporate Communications Specialist at Borusan Holding, who is responsible for coordinating the program. “Already during construction, we had women in the OIZs approaching us, asking when the crèche would be opened.”

Since 2013, a total of 285 working mothers have used the four Joy Factories, each built with the capacity to care for 75 children. However, with a total of 87 children currently enrolled across all four (30 in Adıyaman, 24 in Afyonkarahisar, 13 in Malatya, and 20 in Balıkesir), there is scope for greater uptake. Practical challenges include delays in opening the crèches and difficulties in hiring a sufficient number of teachers. Moreover, many women are not willing or able to pay the fees, which range from 150 to 300 Turkish lira ($41 to $82) per month for full-day care, even though this is considerably lower than the national median of 700 Turkish lira ($197) for private providers (World Bank, 2015). “We want fees to be symbolic,” said Ercan Çelik. The company has considered subsidizing the cost of the Joy Factories; however, this is difficult due to the structure of the PPP, which means that the management and administration of the facilities lies with the OIZ.

Borusan is convinced of the social value of its investment, as well as the reputational benefits for the Group, and hopes the project will have an impact beyond its current scope. The Group has considered sharing its experiences from the project (potentially including, for instance, architectural plans) with interested companies or other OIZs who are committed to childcare provision and who sign a comparable protocol with the ministries in charge.

**Borusan Mannesmann childcare subsidy**

Borusan Mannesmann is a subsidiary of the Borusan Group and part of its steel business. A leading manufacturer of steel pipes, Borusan Mannesmann operates a large plant in Bursa-Gemlik; a production facility in Halkali, Istanbul, where its headquarters are also located; and two plants in Houston, Texas, and Northern Italy. The company has about 1,600 employees, with 1,300 of these in blue-collar roles. Its blue-collar workforce, salesforce, and technical functions are almost exclusively male, with women concentrated in certain white-collar roles, including finance, administration, customer relations, corporate communications, and HR.

In July 2016, Borusan Mannesmann introduced a new subsidy to support its predominantly male blue-collar workforce with respect to childcare-related expenses. The initiative resulted from a conversation between Zafer Atabey, General Manager of Borusan Mannesmann, and a group of blue-collar workers. At the end of a meeting at Borusan Mannesmann’s Gemlik factory, he asked workers whether there was anything more that the company could do to better support its workforce. One worker expressed regret that his wife had to give up her job to look after their twins. According to Atabey, "The worker said that there is no one to look after the kids, and that his wife had to quit her job because they could not afford to send their children to a crèche. This got me wondering whether there is something that we can do about this.”

Under the program, a monthly subsidy of 200 Turkish lira ($57) is available to blue-collar workers for each child from three to six years old, provided that they can demonstrate that their children are enrolled in kindergartens or preschools and that their spouse is in formal employment. For blue-collar workers, whose net earnings at Borusan Mannesmann range between 2,000 and 3,000 Turkish lira ($567 to $851) per month, this constitutes a significant additional benefit. For Borusan Mannesmann management, the aims of the program are two-fold: to provide direct support to its workers and their families, and to support the Group’s broader goals of promoting women’s labor force participation in Turkey. Although the
benefit is available to male and female blue-collar workers, in practice it is only taken up by men, as Borusan Mannesmann’s blue-collar workforce is almost exclusively male.

Workers were invited to apply for the subsidy in August 2016, in the lead-up to the beginning of the new school year in September. The launch of the initiative was communicated through workplace notice boards and via email, with information provided on eligibility criteria and the application procedure. Trade union representatives were consulted during planning, and were also involved in communicating the new subsidy to workers. As of April 2017, a total of 12 male workers from Borusan Mannesmann’s Halkalı and Gemlik plants applied, and have benefited from the subsidy for the past academic year. This represents around 1 percent of the total workforce, and most of those eligible for the subsidy, according to Borusan Mannesmann management. The costs of the childcare subsidy program will amount to roughly 36,000 Turkish lira ($10,140) in its first year.

The subsidy is the result of careful consideration: as Firat Akkemik, Head of HR and Corporate Development at Borusan Mannesmann, pointed out: “Once you’ve implemented such a program, it is really hard to take it back. We had to get it right from the beginning.”

Atabey described the decision-making process involved: “In the beginning, I tried to design something much more complicated: build our own childcare facility, for example. Then I asked around and thought twice: I realized that our workers in Gemlik do not live close to the factory [so may not want to bring their children to work]; also, we can’t build a crèche on our site. It’s too dangerous. How would we operate it? We would need to contract another party. How could we be assured of the quality of care provided? In the end, I tried to do something more powerful and concrete: the subsidy seemed the fastest and most efficient solution.”

In line with research by the World Bank (2015), it was also clear to Borusan Mannesmann that the main problem for workers was not a lack of childcare facilities, but rather their affordability. For most beneficiaries, the subsidy covers all or most of the cost of childcare, particularly in Gemlik, where the majority of Borusan Mannesmann’s production is located and living costs are lower than in Istanbul. A simple, yet efficient
solution, the subsidy requires minimal administrative effort. It is added to employees’ payrolls as a net benefit, with Borusan Mannesmann compensating the additional income tax costs. The subsidy maintains maximum flexibility for families in their choice of childcare, as it is not tied to any particular childcare provider.

Beneficiaries value the subsidy for two main reasons: it eases the financial strain on families, and it ensures that children have access to formal education at an earlier age. According to Tolga Durmuş, a male employee who works in quality control and whose five-year-old daughter attends a crèche at a cost of 500 Turkish lira per month, “We are really benefiting from the subsidy. The whole thing makes our life more comfortable and we see the benefit through our child.” For Özcan Mutlu, a male technical maintenance worker, the support “is important, because it reduces the financial burden a little, but also because I see the difference in my child. She is five and a half and can already read!”

There are also broader implications for gender equality in workers’ family life. The subsidy makes childcare more affordable, and, in some cases, makes it possible for workers’ wives to participate in paid employment outside the home. Some beneficiaries observed that working outside the home gave their wives greater autonomy and more equality within the home. According to Kemal Kayan, a male employee and beneficiary of the program, “[My wife’s work] means that she can gain financial independence . . . It also means that you share things at home on an equal basis. Now [because we both work] we do similar activities in the home, and it makes our relationship stronger. We are happier as a couple, and for this we are really appreciative.”

Not only the beneficiaries appreciate the subsidy; their colleagues are equally supportive. Fethi Ozdemir, Production Team Leader and father of an eight-year-old daughter, remembered the challenges he and his wife faced when it came to childcare: “We asked ourselves a lot of questions about costs. Is it actually worth working? Or is it really better to stay at home, given the cost that you pay for kindergartens?” Salih Namık, an electrician and maintenance worker with two sons, ages 11 and 19, agreed that the subsidy is very important, even if he does not benefit himself: “There are many here who need this, I hope it will be expanded. Childcare is important for all children. It has real benefits for them.” Levent Baştürk, Production Team Leader, explained that he and his wife plan to use the subsidy and enroll their 15-month-old daughter in a kindergarten from age two: “I think childcare from a certain age is important. Also in light of technological developments, children today need specialized education early on.”
Case Study: TURKEY

Parental leave entitlements

All Borusan Group employees are entitled to four months of paid maternity leave and five days of paid paternity leave, in line with national legislation. The Group enjoys a high rate of return from maternity leave, especially in light of the high proportion of women nationally who quit their jobs due to childcare responsibilities (World Bank, 2015). From 2014 to 2015, 92 women across the Group took maternity leave; of these, more than 80 percent returned to their positions after their maternity leave and remained there for at least 12 months. Some 183 men used paternity leave over the same period (Borusan, 2016). The Group also allows employees to add their annual leave entitlements, which are more generous than those defined in Turkish law, to the maternity and paternity leave periods. In line with national legislation, Borusan also gives mothers the opportunity to take unpaid leave of up to six months after the expiry of the initial four-month period, and additional unpaid leave subject to managers’ agreement.

Breastfeeding and lactation stations

Breastfeeding and lactation rooms are available to nursing mothers at all locations of Borusan Group companies. They provide a private, secluded environment for breastfeeding and lactation and are equipped with comfortable armchairs, air conditioning, window blinds, a refrigerator for storage, and a sink. In practice, the rooms are mostly used for lactation, as Borusan does not have on-site childcare facilities. In putting in place these nursing rooms across all Group locations, irrespective of the number of female staff, Borusan goes beyond statutory requirements, as Turkish labor law mandates the provision of a breastfeeding room only in workplaces with more than 100 women workers.

According to Turkish law, 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. Borusan provides its employees with the additional flexibility of using this entitlement to take one day off per week, instead of daily breaks.

“Let’s Code, Girls!”: Investing in Borusan Workers’ Daughters

Borusan is committed to promoting women’s empowerment, and firmly believes that its workers’ daughters are an important starting point. Complementing the support provided to workers’ wives and children’s education through the childcare subsidy, Borusan has also tried to foster the empowerment of women and girls in its workers’ families through an initiative to encourage girls’ interest in science and technology (Borusan, 2017).

In 2016, Borusan partnered with social enterprise KizCode to introduce girls to coding and information technologies. As part of the “Let’s Code, Girls” (Haydi Kızlar Kodlamaya!) project, 150 girls between seven and 14 years of age, daughters of Borusan factory workers (including from Borusan Mannesmann), were invited to participate in coding workshops at Borusan locations in Bursa-Gemlik, Halkali, and Sefaköy. The program aimed to build the girls’ confidence and problem-solving abilities and to stimulate their interest in science, technology, engineering, and math.

“We are really benefiting from the subsidy. The whole thing makes our life more comfortable and we see the benefit through our children.”

Tolga Durmuş, Quality Control, Halkali plant, Borusan Mannesmann, father of one
Borusan companies also operate a flexible approach to granting employees emergency leave to look after their children, for example, in case of illness, school-related obligations, or last-minute disruptions in care arrangements. For example, employees can ask their manager for additional leave on the last day of kindergarten or primary school. This flexibility is valued by employees: Ebru Üstüner, for instance, who has worked in Borusan Mannesmann’s sales planning department for 15 years, said, “We are lucky that we have the opportunity to work from home if our child is unwell. I think it is related to how much Borusan value their employees.” From Borusan’s perspective, it is an important part of the company’s approach to human resource management. According to Akman, “We view our employees as people, and that also reflects on our view of family responsibilities, irrespective of gender. It is not a problem to get your manager’s approval for taking time off to tend to your sick child or to attend a school meeting, for example.” New HR policy guidelines focusing on gender equality that are currently being developed at Group level (explained in more detail in the next section) will allow parents to take additional time off to attend school meetings.

Flexible working arrangements

A number of Borusan companies provide flexible working arrangements to their white-collar staff, with policies and practices differing across the Group. For example, Borusan Otomotiv, part of the Group’s automotive distributorship business, has a policy in place allowing employees in white-collar positions to work from home for two days every month. Borusan Holding, as well as Borusan Otomotiv, Borusan Enbw Energy, and Borusan Danışmanlık have been allowing employees to adjust their start and end times since 2013, helping them to combine work and care responsibilities. Borusan Mannesmann does not have a formal policy, but tries to provide flexibility to its employees on an ad hoc basis where possible. Across all Group companies, flexible working hours are difficult to implement in a shift working system, and hence mostly limited to white-collar workers. Moreover, practical challenges also impede a wider rollout, explained Semra Akman, Borusan’s Chief HR Officer, as the company provides free-of-charge transport services to its workers in many locations, which cannot be run on a flexible schedule.

“We view our employees as people, and that also reflects on our view of family responsibilities, irrespective of gender. It is not a problem to get your manager’s approval for taking time off to tend to your sick child, or to attend a school meeting, for example.”

Semra Akman, Chief HR Officer, Borusan Holding
Case Study: **TURKEY**

**“We are lucky that we have the opportunity to work from home if our child is unwell. I think it is related to how much Borusan value their employees.”**

**Ebru Üstüner, Sales Planner, Halkali plant, Borusan Mannesmann and mother of two children**

**“Equal Borusan”: Policies to support women and gender diversity**

Borusan’s activities to support childcare feed into a broader corporate commitment to gender diversity and to creating better workplaces for women. In 2015, the company launched the “Equal Borusan” (**Borusan Eşittir**) platform, aiming to entrench a more systematic approach to equal opportunity through enhanced HR policies, training and capacity-building, internal communications, and awareness-raising as well as research and benchmarking activities.

As a first step, “Equal Borusan” focuses on gender diversity across the Group, and Borusan is currently finalizing new HR policy guidelines on nondiscrimination. The guidelines will, among other things, require Borusan companies to actively ensure that women and men alike are included as candidates in all new recruitment processes, and will codify practices around granting additional leave to working mothers and fathers to attend children’s school meetings. It also foresees the provision of flexible benefits to female employees in the future, which may include financial support to cover childcare expenses. The HR guidelines contain a foreword by the CEO, underlining the high profile of the “Equal Borusan” initiative and gender diversity more broadly within the company.

These activities are accompanied by a campaign to raise awareness of discriminatory language: posters and signs at Group locations sensitize staff on the use of nondiscriminatory and gender-neutral language. “We want to make sure that women know their rights, and that no one prevents them from enjoying their rights,” explained Akman. “We want to increase the ratio of women in our company and ensure that they have equal opportunities to grow.”

**BUSINESS IMPACTS OF BORUSAN’S ACTIVITIES ON CHILDCARE**

Borusan firmly positions its efforts to support working parents and promote women’s economic participation as part of its duty to society, in line with the Group’s long-standing philanthropic tradition and commitment to development in Turkey. For Borusan, creating employment opportunities for women through enhanced provision of childcare is an end in itself, irrespective of its economic efficiency or benefits to the business, and a central element of its corporate responsibility commitments.

Yet, there also are important, positive outcomes for Borusan that are (directly or indirectly) linked to its strategic challenges and maintaining its leading position in a competitive market. These include the retention and attraction of the right talent, including women; reputational gains and enhanced relations with various stakeholders; and tax benefits in relation to childcare investments.
Attracting and retaining the best workers, at all levels of the organization

Having a reputation for supporting the childcare needs of its employees can help Borusan to attract and retain staff. According to Akman, “Finding and recruiting the right people is a real challenge,” especially for blue-collar and technical positions, but also for professional staff and management. The “Equal Borusan” platform arises from the recognition that a more women-friendly working environment, and a gender-diverse workforce and management team, can bring benefits to the company and its people. The new HR gender equality guidelines foresee executive training opportunities and leadership development support specifically targeting women, as well as a guarantee to return to the same position following maternity leave and a commitment to equal opportunities in promotion, irrespective of gender and motherhood.

Moreover, treating employees well and offering competitive benefits has strategic importance for Borusan companies. Given the Group’s need to achieve high levels of productivity to stay competitive, high levels of retention are a must. According to Akkemik, it can take up to six months for an entry-level blue-collar worker to reach full productivity, but this rises to two years for blue-collar positions with higher levels of responsibility, such as a machine operator’s assistant.

“Making people happy, keeping people happy, and keeping people here,” as Atınç Ocak, Technical Units Group Manager at Borusan subsidiary Supsan, puts it, is a key priority for the business—and an important ingredient for its success. All Borusan companies focus on developing increasingly higher levels of performance, and managers are keenly aware that they need to invest in their employees—women and men alike—to achieve this.

As Akman underlines, Borusan is a people-oriented company. Supporting its employees and maintaining high levels of staff satisfaction are important objectives for the Group, also with a view to maintaining the business’ success. Atabey explained that, “Pipes are a simple product. You need another asset to be successful. For us, it’s success through people. We invest in our people at every level.” The childcare subsidy is part of this effort. Management expects the subsidy to have a strong positive effect on employees’ satisfaction and loyalty to the firm, with follow-on effects for ongoing productivity, and plans to assess these outcomes as part of its next employee satisfaction survey.

“We want to make sure that women know their rights, and that no one prevents them from enjoying their rights. We want to increase the ratio of women in our company and ensure that they have equal opportunities to grow.”

Semra Akman, Chief HR Officer, Borusan Holding

“Pipes are a simple product. You need another asset to be successful — for us, it’s success through people. We invest in our people at every level, from blue-collar workers up to high-level management.”

Zafer Atabey, General Manager, Borusan Mannesmann
Maintaining a positive corporate reputation

As one of Turkey’s leading industrial conglomerates, Borusan’s philanthropic activities are an important means of enhancing the company’s reputation, by highlighting its commitment to making a positive and concrete contribution to the country’s future development. It is difficult to assign a precise value to a company’s positive reputation; however, it is clear to Borusan that there are numerous business benefits attached to being identified as a modern and socially responsible company in Turkey, including improved market value, a stronger profile with business partners and customers, and better access to talent.

Women’s economic empowerment has always been an important focus area for the company’s philanthropic and corporate responsibility initiatives, and Borusan believes “the involvement of women in business life is an integral part of the development process in Turkey” (Borusan, 2015). The “My Mom’s Job Is My Future” project clearly forms part of this long-standing philanthropic tradition. The different activities to support working parents across the Group are also anchored within this broader commitment and contribute to Borusan’s reputation as a company supporting women, both among its workforce and in society.

Borusan demonstrates its leadership on women’s economic empowerment through its participation in several high-profile programs. The company is a signatory to the United Nations Women’s Empowerment Principles (WEPs) and, in 2014, became the first Turkish member of the WEPs Leadership Group, with the “My Mom’s Job Is My Future” project and the “Equal Borusan” platform highlighted as examples of best practices in the WEPs implementation guide for Turkey (UN Global Compact Turkey and UN Women, 2017). The public recognition associated with these programs brings important reputational rewards for Borusan, raising awareness of its brand and the scope of its operations (particularly given that its operations are predominantly business-to-business [B2B]) and developing its public profile as a socially responsible company that is committed to building stronger communities and supporting women.

Support for childcare can also help to strengthen Borusan’s profile and its relations with the government, especially through its PPP on childcare in OIZs. The “My Mom’s Job Is my Future” initiative helps to position the Group as a responsible contributor to Turkey’s economic and social development, which may also help to strengthen Borusan’s bids for public contracts. The cooperation between Borusan and the two ministries has benefited the project, for example by simplifying and shortening administrative procedures around the construction and licensing of the Joy Factories.

Attracting investment and business partners

Borusan’s support for women’s economic empowerment and working parents’ childcare needs can strengthen the Group’s profile with investors and business partners who are keen to apply a socially responsible lens to their investments. The Group has an increasingly international outlook, including long-standing cooperation with international business partners and a growing orientation toward export markets. For example, about two-thirds of Borusan Mannesmann products are currently destined for export—a share that Borusan Mannesmann hopes to increase. The company is also seeking to expand its footprint in North America, having opened a steel mill in the United States in 2014. A number of Group companies, including Borusan Mannesmann, operate partnerships with international firms, who also value Borusan’s commitment to social responsibility.

Operating in a largely B2B environment, Borusan knows that sustainability and gender equality initiatives, in which childcare supports play an important part, are taken seriously by investors and business partners globally, who see a strong corporate commitment to sustainability, in policy and practice, as a proxy for sophisticated and modern management systems. Social sustainability also plays an ever-greater role in indices and...
benchmarks ranking company performance. As Halılcıkoğlu puts it, “Nowadays, these indices increasingly look at what you do for people, not only at commercial aspects.”

**Realizing tax savings through targeted investment in childcare**

The Turkish government added private investments in kindergartens and daycare centers to the list of priority fields for investment in 2014, making them eligible for a range of tax reductions. Additional incentives apply if the investment is within an OIZ (AFD and Development Analytics, 2015; see also Investment Support and Promotion Agency of Turkey, 2017). Hence, Borusan’s investment in “My Mom’s Job Is My Future” not only brings important benefits to the mothers and fathers working in the selected OIZs, but is also financially efficient, saving the company an estimated 20 percent in corporate taxes applicable to the investment.

**LESSONS LEARNED**

**Understanding and capturing business impacts**

Currently, several innovative approaches to supporting childcare and women’s employment are taking place in and across several companies within the Group. Some of these are in their early stages (the Borusan Mannesmann childcare subsidy and “Equal Borusan” platform), whereas others have been in place for a number of years (the “My Mom’s Job Is My Future” project, which started in 2012). To date, these initiatives have understandably focused on taking action—i.e., launching and implementing programs. However, to increase impact and extend uptake, next steps should involve a greater focus on monitoring and measurement: companies that measure outcomes, costs, and benefits are better positioned to make childcare support a business priority and demonstrate leadership to others.

One of the important next steps for Borusan is to better understand how childcare supports for workers provide business benefits—i.e., the extent to which each existing initiative has had, or could have, beneficial outcomes for the Group or OIZs and OIZ companies. For instance, the Borusan Mannesmann subsidy could provide a template for other Borusan companies to support the childcare needs of their predominantly male blue-collar workforces; however, to convince other Borusan companies, Borusan Mannesmann needs to be able to demonstrate the program’s value. Borusan Mannesmann is planning to monitor and review the program every year going forward, but it is still considering the methodology that it will adopt. To build a better picture of the business benefits, Borusan Mannesmann will need to consider how best to measure costs and benefits (e.g., productivity data, or scores on employee satisfaction surveys), and how to put in place a framework to monitor changes over time. Building a business case is equally important for strengthening the impact of the “My Mom’s Job Is My Future” program, given that the engagement of OIZ authorities has been strongest where there is explicit demand from OIZ companies.

Borusan is aware that a strong framework for measuring and monitoring outcomes is an important enabler for increasing the impact of Borusan’s childcare support activities and meeting the company’s gender diversity objectives. It was also one of the driving motivations for introducing the “Equal Borusan” initiative, particularly in relation to targets for women in leadership. According to Ercan Çelik, “If you don’t commit yourself, and measure your commitment, nothing will change. We have been talking for a while now, but there hasn’t been any major change, so this is where ‘Equal Borusan’ comes in.”
Strengthening links between programs and sharing lessons learned

Another important next step for Borusan is to identify and strengthen links between its existing interventions on gender equality and childcare support and understand their collective impact on its efforts to promote gender equality and women’s economic empowerment.

The new “Equal Borusan” initiative provides an ideal, Group-wide platform for internal peer learning and knowledge sharing, giving managers from different companies an opportunity to share good practices, highlight dilemmas, and learn from one another’s experience. This could help Borusan to understand how childcare support can fit into its Group-wide policies on gender equality, while remaining receptive to the particularities and specific needs of individual companies. “Equal Borusan” could also provide an avenue for raising the profile of the Borusan Mannesmann childcare support subsidy and exploring the feasibility of rolling out similar approaches in other subsidiaries, taking into account Borusan Mannesmann’s lessons and experiences. More broadly, the Borusan Mannesmann example can act as a prompt for discussing the roles of both women and men in supporting families and promoting women’s economic participation.

There is ample scope for learnings to be transferred between Borusan’s CSR initiative and its internal HR policies and programs. For instance, one of the lessons learned from both Borusan Mannesmann’s experience and the “My Mom’s Job Is My Future” project is that supporting or ensuring the affordability of childcare needs to be a key consideration in any childcare initiative in Turkey. The Borusan Mannesmann experience highlights the role that employers in OIZs could play in filling the gap between fees and parents’ willingness or ability to pay for the Joy Factories’ services.

“If the wives of these 12 workers are working and in the labor force, that’s already great. But I would like to reach much more, maybe 50, or even 100. There may be more things for us to investigate and look into.”

Zafer Atabey, General Manager, Borusan Mannesmann

A greater emphasis on measurement and evaluation (as described earlier) will help to enrich these exchanges. In its early stages, the primary emphasis of the “Equal Borusan” initiative is currently on nondiscrimination (as evidenced in the new HR guidelines) but childcare will likely continue to rise up the agenda as Borusan deepens its efforts to promote gender diversity within its operations.

Creating tailored programs that respond to workers’ stated needs

Understanding the childcare challenges that working parents face, and how they differ depending on geographical location, job role, or personal circumstances, is essential in developing practical approaches to childcare support that work in different locations. The childcare subsidy currently trialed at Borusan Mannesmann, for instance, arose organically from an attempt to create a more positive working environment for its employees. In doing so, it recognizes that male employees also have childcare needs, and shows the importance of thinking creatively about childcare support, considering location and context in identifying the most effective approach. Listening to workers was essential in bringing about the childcare subsidy.
and integrating feedback from staff into the evaluation will be vital in increasing uptake and maintaining its success in the future.

Although only some workers at Borusan Mannesmann received the childcare subsidy during its first year, management is keen to build on the pilot’s success and expand the number of beneficiaries. The company intends to review the approach this year, collecting and taking into account workers’ feedback and looking into opportunities to enhance its offering and extend the subsidy’s coverage. This may involve the rollout of the childcare subsidy to other parts of Borusan Mannesmann (for example, white-collar roles), or amending the criteria for eligibility to also include, for instance, children younger than three or partners not currently employed but able to demonstrate that they are looking for a job. By doing so, Borusan Mannesmann management hopes to make an even greater, positive impact on the lives of workers and their families. For Atabey, “If the wives of these 12 workers are working and in the labor force, that’s already great. But I would like to reach much more, maybe 50, or even 100. There may be more things for us to investigate and look into.”

CONCLUSION

Borusan is a unique example of a large company that sees the value of childcare with a broader social lens, not just within the context of its own direct workforce. Through its “My Mom’s Job Is My Future” initiative, Borusan seeks to increase the attractiveness of the industrial sector for women and to promote women’s empowerment in Turkey more generally. This pioneering approach is part of Borusan’s deep philanthropic commitment to supporting broader social development in Turkey, while maintaining and enhancing the company’s reputation with its workforce, government stakeholders, and the community.

As Borusan continues to intensify its efforts to increase gender diversity within the company, particularly in blue-collar jobs, support for working parents and women’s economic empowerment are likely to become an increasingly important tactic. Currently, different companies within the Borusan Group are implementing their own activities on childcare, each tailored to that company’s profile and needs. In the case of Borusan Mannesmann, this includes an innovative new initiative based on the understanding that male blue-collar workers (and their families) can benefit from childcare support.

Several Borusan initiatives are at a relatively early stage of development, and the Group is still rolling out its approach to gender diversity. Nevertheless, as this case study shows, Borusan’s activities to date have already had important benefits—not only for the workers involved, but also for the company. For Borusan, people are the key ingredient to its success, and supporting their workforce, including in relation to employees’ childcare needs, constitutes an investment in the company’s continued growth and innovation through positive impacts on employee attraction, retention, motivation, and loyalty.
Endnotes

2. This requirement does not apply to Borusan, as it does not employ more than 150 women at any one location.
3. Interviews for this case study were conducted in person in Istanbul in April 2017 with a cross-section of Borusan staff at group and subsidiary level, including the Director of HR of the Borusan Group, the Secretary-General of the Borusan Kocabıyık Foundation, representatives of the Corporate Communications department of the Borusan Group, the General Manager and Head of HR of Borusan subsidiary Borusan Mannesmann as well as the General Manager, Head of HR, and Technical Units Group Manager at Borusan subsidiary Supsan. Three focus group discussions with workers were conducted at Borusan Mannesmann: one with blue-collar male workers benefiting from the childcare subsidy, one with blue-collar male workers not benefiting from the childcare subsidy, and one with white-collar female workers. Additional interviews with male and female blue-collar workers were held at Supsan.
4. Azerbaijan, Cyprus (North), Georgia, Italy, Kazakhstan, Kyrgyzstan, Netherlands, Oman, Russia, Turkey, the UAE, and the U.S.
5. According to the 2013 Regulation on Work Conditions of Pregnant or Nursing Women, Nursing Rooms and Child Care, Art. 13, nursing rooms must be established at workplaces with more than 100 female employees.
8. In practice, the average cost per crèche for each of the four facilities finished so far has amounted to about 1 million Turkish lira.
9. Adding the subsidy to a worker’s salary increases the amount of taxable income, and hence the amount of income tax paid. Borusan Mannesmann pays this difference to avoid any costs of the subsidy to workers.

References


______. 2017. Borusan Women Empowerment Projects at First Sight, brochure [not available online, shared with researchers].


