



WORKPLACE INNOVATION: OKEBA'S RETURN ON INVESTMENT IN CHILDCARE

- A women-centric investment in childcare services proved to significantly reduce labor costs and increase revenue for Okeba—a Ugandan agribusiness—and also provided much needed care support to rural working women and improved workplace culture.
- Data on costs, including compensation to women seed and grain sorters, and revenues enabled the use of a return on investment (ROI) calculation that divided the cash flow benefit contributed by the onsite childcare room by the investment required to provide the care support.
- Calculating a women-inclusive return on investment (WI-ROI) should be based on an in-depth understanding of the business model and a contextual understanding of the company's growth trajectory.

The private sector increasingly recognizes opportunities to include and empower women in the workplace. This series of case studies seeks to close evidence and guidance gaps to measure the return on investment (ROI) of women-inclusive business strategies for small- to medium-sized enterprises (SMEs) in low- and middle-income countries (LMICs). Each case study follows the [Women-Inclusive Return on Investment \(WI-ROI\) Framework](#) and documents a company's inclusive investment (or intervention), the business model of the investment, the data and process used to calculate the WI-ROI, and key lessons learned. These cases aim to support development practitioners' alignment with the incentives of SMEs and other private-sector actors in LMICs. By understanding and calculating a WI-ROI, practitioners can help accelerate inclusive growth that benefits both women and firms.

This case study focuses on Okeba in Uganda. It examines how providing onsite childcare helped create a women-inclusive workplace while delivering financial returns for the SME. Comparing the original business model (without childcare services) to this women-centric approach shows how the latter reduces labor costs while increasing profitability for Okeba.

What is a WI-ROI?

ROI is a quick financial ratio calculation to estimate and monitor the success of business decisions.

When a business considers making expenditure changes, such as launching a new product or making workplace improvements, it is standard practice to consider the profitability of the new investments.

The term “WI-ROI”—women-inclusive return on investment—refers to a ROI that measures the financial success of investments that specifically aim to include and empower women. To yield a WI-ROI, the ratio must compare the net gain or loss of a women-inclusive investment to the cost of the same investment. For more details on women-inclusive investments, see the [WI-ROI Framework](#).

The **Feed the Future Market Systems and Partnerships (MSP) Activity** is advancing learning and good practice in market systems development (MSD) and private sector engagement (PSE) within USAID, USAID partners, and market actors. For more information, access to technical resources, and opportunities to engage, visit www.agrilinks.org/msp.

This document was made possible through support provided by Feed the Future through the U.S. Agency for International Development, under the terms of Feed the Future Market Systems and Partnerships Contract No. 7200AA20C00054 managed by DAI. It was prepared by Jenny Stankowski of DAI and Yaquta Fatehi of William Davidson Institute at the University of Michigan with support from Robert Dittmar of Rice University for DAI. The opinions expressed herein are those of the author(s) and do not necessarily reflect the views of USAID or the United States Government.

Methodology

The selection of case studies followed criteria to ensure robustness and relevance to the WI-ROI Framework. All companies selected are based in LMICs, qualify as SMEs, have already made a women-inclusive investment, and are willing to share relevant financial and cost data. Case studies were selected to provide insights into one of the four business strategies defined by the WI-ROI Framework (See Figure 1)—in Okeba's case, benefiting women as employees and improving workplace culture.

Case studies used available quantitative data, qualitative data from key informant interviews (KIIs), and secondary research to determine the contribution of the women-inclusive investment. The studies applied good practices in conducting contribution analysis ([Mayne, 2008](#); [DCED, 2021](#); [Hopkins, 2021](#)) using Theories of Change and contribution stories.

Figure 1: WI-ROI Framework



Background

In Uganda, one of the main food staples is *posho*, a starchy dish made from maize flour and often served with soups and stews. It is estimated that about 92% of Ugandan households consume maize flour, with a per capita consumption of about 22 kgs of maize per year, making it one of the most broadly consumed and cultivated crops in the country ([SPRING, 2018](#); [UBOS, 2019](#)). Neighboring countries in East Africa have even higher consumption levels, which have created a market opportunity for grain processors like Okeba to meet domestic and regional demand.

Registered in 2017, Okeba started operating in the district of Mubende, about 150 kilometers west of Uganda's capital, Kampala, where it sourced produce from local farmers and rented factory space to process maize, soybean, and common beans¹. Okeba first sold to domestic buyers, and as aggregation increased, the company gained more regional customers from countries like Kenya and Tanzania.

Amid these initial successes, it encountered a challenge: most of the processing staff were women who had childcare responsibilities and, in the absence of alternatives, often brought their children to work. As a result, women workers were frequently late to work and departed before the end of the working day to attend to their children. Okeba allowed workers to bring their children to the workplace, but without a dedicated and safe place for them, the children were often on the factory floor near their mothers, reducing worker productivity. It was noted that exposure to grain dust would often make children sick, further reducing productivity as workers needed to take time off to care for their sick children and increasing Okeba's costs as it would often pay for their treatment.



Photo: Jacob Etunganan, Okeba

Unpaid care is a fundamental barrier preventing women from entering, remaining, and progressing in the workplace. According to the International Labor Organization (ILO), 16.4 billion hours are spent daily in unpaid care work globally, corresponding to an estimated 9% of global GDP work ([Addati et al., 2018](#)). In Uganda, women spend, on average, 5.5 hours per day conducting care responsibilities, limiting their opportunities to engage in paid work. ([GrOW East Africa](#),

¹ Kidney beans, pinto beans, and haricot beans.

2022) As Okeba experienced, unequal unpaid care responsibilities affect worker well-being, firm productivity, staff turnover, and a company's reputation. ([Oxfam & Unilever, 2019](#); [MarketShare Associates, 2022](#))

Okeba's Women-Inclusive Investment

Okeba's profitability has been largely determined by the cost of raw products; labor to clean, sort, and grade (process) products; and the revenue earned through sales. The amount of labor required to process products depends on two factors—the quality of the product coming into the factory and the productivity of its workforce (number of bags sorted to minimum quality standards). If a bag is not cleaned and sorted up to consumer standards, another worker (typically with more experience) is tasked to re-process that bag before it can be sold, resulting in increased labor costs.

According to the company's management, Okeba's staff with childcare responsibilities often worked fewer hours because of a lack of outside childcare, were more likely to be distracted at work when their children were present on the factory floor, and requested more time off when children became ill while at the factory. Thus, it was common for about 20% of the bags from these workers to be resorted before they could be sold. To address the children's health needs, help retain employees, and maintain productivity, Okeba first offered to pay for the medical expenses of their employees' children who fell ill while at the factory. The illnesses were often relatively minor infections, but the cost of medical treatment could be expensive, both directly in terms of the actual medical services rendered and indirectly through productivity loss while the employee took time off work.

For Okeba, this was a good start, but the company soon realized it could further improve productivity and make an even greater contribution to the children's health by separating them from the factory floor by providing a dedicated space and supervision. In Mubende, Okeba decided to test this idea and repurpose an unused administrative office into a childcare room. Children were offered a clean, safe place to play and nap, and mothers, a private place to breastfeed. The new care support initiative was very successful at reducing medical costs and enhancing productivity while further boosting the company's reputation as an employer.

In 2021, Okeba expanded into the seed sector and moved its operations to a more rural location where it would have more space. It purchased land and a new facility about 35 kilometers outside of Mubende and dedicated a room to provide onsite childcare, free of cost, for its workers². After allocating space for the children, Okeba purchased cots and toys and hired full-time staff to supervise the children. Breakfast and lunch were also provided to the children, and there was space to play outdoors.

"It's becoming more attractive to workers because they know if they bring their child to work, there will be somewhere for them to breastfeed, somewhere for their child to take a nap, and somewhere for them to play while they concentrate on cleaning and sorting."

Jacob Etunganan, Okeba Business Development Manager

"We see now that the child daycare center is actually a trigger for more women to come into the leadership of Okeba."

Jacob Etunganan, Okeba Business Development Manager

Besides creating a healthier environment for the children, this also eased the caregiving burden placed on many of Okeba's female staff and afforded them the opportunity to work a full, eight-hour day, enhancing their income-earning potential. Okeba noted that its staff felt more comfortable knowing that their children were in a safe place nearby and were better able to concentrate on their work, resulting in fewer bags resorted and reduced labor costs to the company. Since its inception, the childcare center has grown from serving 10 to 30 children.

² Note: while Okeba did plan for a childcare room when searching for a new facility outside of Mubende, the market context for manufacturing sites and warehouses was per property, not per room. Thus, the opportunity cost was not calculated.

Evidence is ever-growing that family-friendly workplace policies, including quality onsite childcare, can enable firms to attract and retain talent, boosting productivity and profits. ([CARE, 2023](#); [IFC, n.d.](#); [Oxfam & Unilever, 2019](#)).

Okeba believes this initiative will support another women-inclusive goal of the company—to recruit and retain more women and support them growing into leadership positions. Thus, as Okeba continues to grow, the onsite childcare is expected to expand, as well.

The WI-ROI Measurement Process

The complex realities in which SMEs operate in LMICs present challenges to attribute financial returns to specific business strategies. In the case of Okeba, questions arose around seasonality and whether increased profit was driven by the childcare center or by factors outside the control of Okeba, such as a change in commodity prices, factors related to severe COVID-19 restrictions, Russia’s War in Ukraine, or other issues affecting this market. To address this, the case study applied aspects of contribution analysis. An iterative process of developing an initial Theory of Change (ToC), analysis, data collection, indicator development, and ROI calculation was undertaken to establish a WI-ROI underpinned by a contribution story (See Figure 2).

Theory of Change for the Investment

The evolving contribution story is visually summarized into a ToC diagram (See Figure 3) to show how the new inclusive business strategy led to intermediary business outcomes and, ultimately, impact—including the social and financial results for the company and its employees.

As per the diagram below, Okeba's ToC outlines investments under the new business activities (inputs), including the cost of cots, toys, and maintenance of the room, costs related to food and medical supplies for the children, as well as the salary of a childcare supervisor. It details the intermediary business outcomes (financial and social) related to each worker’s performance (i.e., improved quality of work, reduced absenteeism, better health outcomes for their children), which ultimately lead to Okeba reducing its resorting and processing costs, thus increasing its profits.

Figure 2: WI-ROI Measurement Process

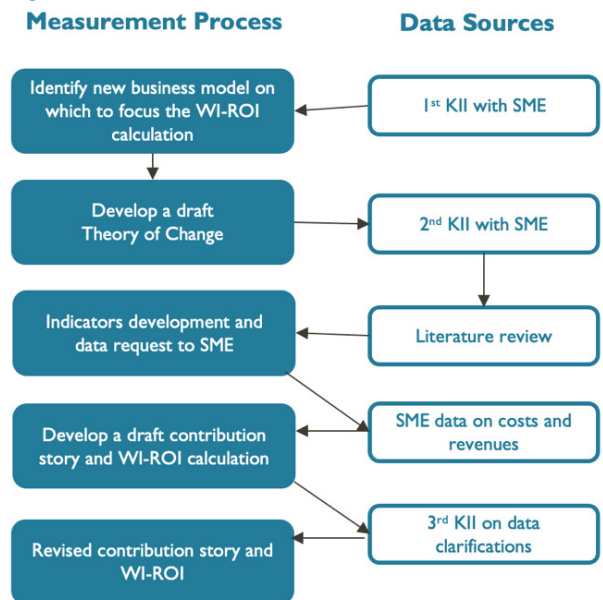
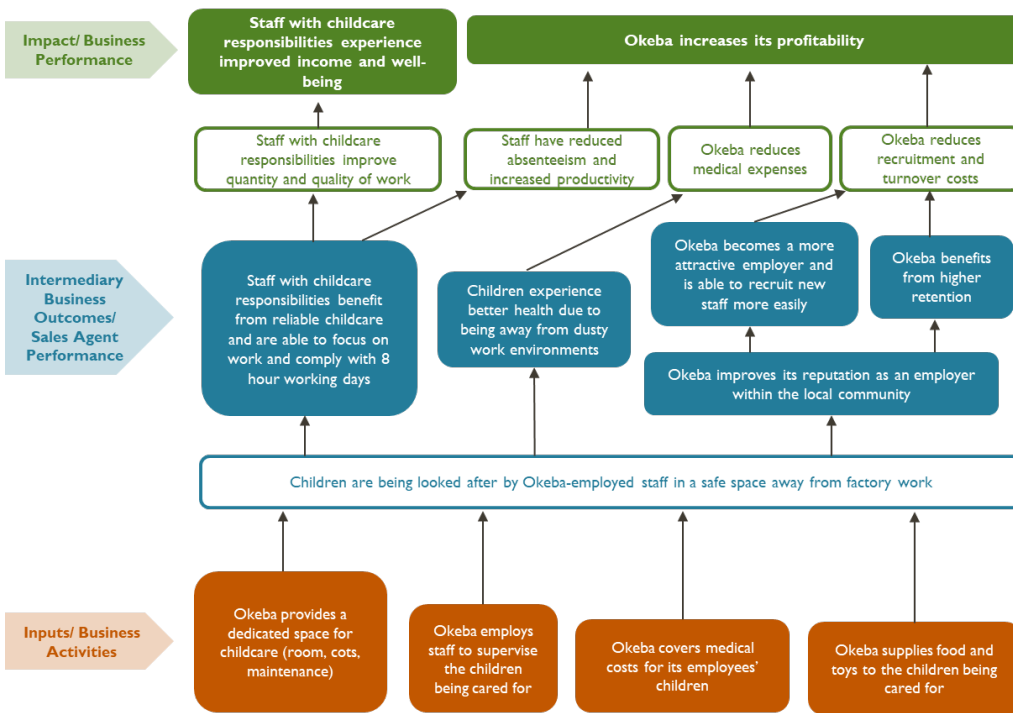


Figure 3: Okeba Theory of Change



Some aspects of the ToC were not measured directly in the team’s calculations. This includes how improved employee benefits enhanced Okeba’s reputation as a desirable place to work, making it easier to recruit and maintain staff, and reduced medical costs. Additionally, primary data was not collected on social impact; instead, secondary data (literature review) and key informant interviews (KIIs) with Okeba were used to address questions about employee benefits and social impact.

Financial Performance Metrics for Okeba

Financial performance metrics are critical to measure ROI and identify the business case for women-inclusive business strategies. Based on the WI-ROI Framework, Table 1 outlines the metrics used to calculate the WI-ROI for providing care support to women employees.³

Table 1: Financial Performance Metrics of Employees of Okeba

Key Performance Indicator (KPI)	Definition	Women-Inclusive Relevance	Relationship to ROI
Yield per woman per sorter (kilogram)	Yield quantity processed divided by the total number of women sorters	By providing onsite childcare services, women sorters with childcare responsibilities can better attend to their jobs (presenteeism) and increase productivity, and reduce the number of absent days (absenteeism), together increasing the amount and quality of processing.	Profit: Increased revenues New investment: Cost of setting up the onsite childcare services
Gross profits per yield (USD per kilogram)	Total revenues minus total costs divided by yield quantity processed	By providing onsite childcare services, revenues increase as explained in the row above and costs reduce (labor, recruitment and turnover, and medical expenses for children).	Profit: Increased revenues and reduced costs
Gross profit per yield per woman sorter	Gross profit per yield quantity processed divided by the number of women sorters		New investment: Cost of setting up the onsite childcare services

³ In this case, Okeba’s workers with caregiving responsibilities did not pay for the onsite childcare services.

WI-ROI Calculation of the Investment

Okeba hypothesized that having an onsite childcare room with a childcare supervisor and provisions for food, toys, and resting cots (the intervention) would reduce women sorters' absenteeism and increase their attention or presenteeism. This, in turn, would increase productivity—both in quality and amount—and reduce the need for product reprocessing, consequently reducing the labor costs associated with a second round of sorting. During data collection, financial information regarding operations (yield quantity sorted), total revenues⁴, cost data (including compensation to women sorters for the first and second⁵ rounds of processing), and number of women sorters participating in processing was provided by Okeba. The new childcare services were available in 2022. Hence, relevant data provided by the company came from 2020–2021 (two years before the intervention, where 2021 was considered baseline) and 2022–2023 (two years post-intervention, where 2023 was considered endline⁶).

The following analysis was conducted to calculate the WI-ROI:

1. Investment in the daycare services (initial investment at time zero and yearly recurring operating costs).
2. Cash flow benefit contributed by the daycare services, i.e., the difference in revenues and 'costs per yield per woman sorter' (the unit of analysis, as informed by hypothesis), i.e., profit differential from baseline to endline.
3. Reduction in labor costs due to reduced product reprocessing.

Investment in daycare services: Time zero expenditures were \$3,024⁷ or 10.8 million Ugandan Shillings (UGX) for one-time costs (See Table 2). Delivering the daycare services had recurring yearly expenses of \$4,032 (UGX 14.4 million). Given that this daycare was located in a spare room in the administrative building and did not displace any revenue-generating activity, the cost of the room was not included in investment costs.

Table 2: Investment in the Daycare Facility

Variables	Initial investment costs at time 0 (UGX)	Ongoing yearly costs (UGX)	Initial investment costs at time 0 (USD)	Ongoing yearly costs (USD)
Cots and other furniture	6,000,000		1,680	
Toys	4,800,000		1,344	
Salary of staff member who supervises children		6,000,000		1,680
Food		4,800,000		1,344
Maintenance (cleaning) and utilities (water and electricity)		3,600,000		1,008
Total	10,800,000	14,400,000	3,024	4,032

Cash flow benefit contributed by the daycare services: The following variables (Tables 3 and 4) were calculated for 2021 (baseline) and 2023 (endline).

⁴ The data was annualized for 2023.

⁵ Okeba provided the labor costs resulting from reprocessing.

⁶ Assumed that the full effect of the daycare center on productivity and other variables was not realized until 2023.

⁷ Foreign exchange rate from July 31, 2023.

Table 3: Key Variables' Values at Baseline and Endline

Variable	Definition	2021	2023	Percentage Difference
Number of women sorters		40	52	30%
Yield per woman sorter (kilogram)	Yield quantity processed divided by the total number of women sorters	114,656	157,013	37%
Revenue per yield (USD per kilogram)	Total revenues divided by yield quantity processed	redacted	redacted	20%
Gross profits per yield (USD per kilogram)	Total revenues minus total costs divided by yield quantity processed	redacted	redacted	68%
Gross profit margin (%)	Gross profits per yield quantity processed divided by revenue per yield quantity processed	redacted	redacted	6.1 percent point
Gross profit per yield per woman sorter (USD per kilogram per woman sorter)	Gross profit per yield quantity processed divided by the number of women sorters	13.59	17.55	29%

Yield per woman sorter increased from 2021 to 2023 by approximately 40% because of improved productivity among women sorters and the introduction of new products in the portfolio, namely seeds, that required sorting, hence increasing the yield. The onsite childcare services contributed to an approximate 30% increase in gross profit margins per yield per woman sorter.⁸

Reduction in labor costs due to reduced product reprocessing: To calculate the reduction in labor costs, the percentage of compensation due to resorting, compensation per woman sorter, compensation per woman sorter per yield quantity, and finally, the percentage of compensation per woman sorter per yield quantity due to reprocessing were calculated (See Table 4).

Okeba reduced labor costs from UGX 3.19 (2021) to UGX 1.75 (2023) per woman sorter per kilogram—a 45% reduction.

WI-ROI: Assuming that Okeba would employ 52⁹ women at a steady state, 157,013 kilograms of product would be processed per woman sorter in one year (i.e., reported values of yield quantity processed by 52 women; See Table 3). Based on this steady state, the total annual cost savings was calculated as the multiplication of 157,013 kilograms of yield quantity per sorter * 52 women * (17.55-13.59; i.e., the difference in gross profits per yield per woman sorter between baseline and endline) and equaled \$9,052 (UGX 32,327,577).

Table 4: Change in Labor Costs at Baseline and Endline

	2021	2023
Percentage of compensation due to resorting	46%	31%
Compensation per woman sorter per yield quantity (UGX per woman sorter per kilogram)	6.96	5.60
Portion of compensation per woman sorter per kilogram due to resorting (UGX per woman sorter per kilogram)	3.19	1.75

⁸ Given the lack of availability of granular data, total revenues and total costs were used in the calculation even though the onsite childcare services only contributed to cost savings.

⁹ Number of women sorters in 2023; Okeba confirmed that there was no turnover among women sorters in 2023.

The cash flow benefit contributed by the onsite childcare services (\$9,052 or UGX 32,327,577) was reduced by the annual recurring costs of operating the childcare services: \$4,032 (UGX 14,400,000). This resulted in a net cash flow value of \$5,020 (UGX 17,927,577). The WI-ROI was calculated by dividing \$5,020 (UGX 17,927,577) by the investment costs at time zero \$3,020 (UGX 10,800,000). See Table 5.

Table 5: WI-ROI Calculation

	Value (UGX)	Value (USD)
Cash flow benefit	32,327,577	9,052
Daycare services recurring annual operating costs	14,400,000	4,032
Net cash flow benefits	17,927,577	5,020
Initial investment in daycare services at time 0	10,800,000	3,024

Based on the reported data and assumptions, Okeba gained a return of UGX 1.66 per each UGX invested in providing childcare services.

Limitations: Due to the lack of granular-level data on fixed and variable costs, revenues associated with increased productivity, and data associated with women whose children used the daycare services, the WI-ROI calculations used total cost and revenue values. Furthermore, no turnover, recruitment, or medical costs related to dust-related illness for children were provided.

The ROI calculations showed that for every shilling invested, Okeba saved 1.66 shillings.

$$\frac{\text{UGX } 17,927,577 \text{ Difference in cost savings}}{\text{UGX } 10,800,000 \text{ Initial investment in daycare}} = 1.66$$

Lessons Learned in Calculating a WI-ROI

This section details the main lessons learned in accurately calculating a WI-ROI.

Thinking beyond increased output



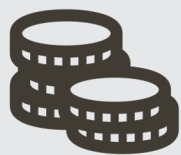
The ToC assumed that with the ability to work a full 8-hour day, women would be able to sort more bags (and *want* to sort more bags), thereby increasing their income output. When looking at how an investment improves the lives of women, increased income does not automatically beget better outcomes for women. The data analysis suggests women sorters may benefit from increased focus while conducting their work and have more time to complete their tasks. These two factors have emerged as valuable drivers of impact (and gross profit) rather than output. Focusing too much on output as the main driver for profitability and impact may create a blind spot when calculating a WI-ROI, as availability of increased productive time does not always equal increased output.

When to calculate opportunity cost and when to exclude it



What makes Okeba's investment different from other childcare initiatives is that no new facility was constructed or installed. Okeba utilized an existing room that would not have otherwise been used for any other purpose or rented out separately to generate more revenue. While it is possible to calculate the opportunity cost of the physical space, it doesn't make sense in this scenario as the space would most likely have lain empty. To apply a relevant WI-ROI, careful *contextual* assessment needs to be made about opportunity cost.

Granular data provides greater internal context



In 2022, (not featured in Table 3) Okeba's worker compensation decreased, contradicting expectations based on the ToC. Upon requesting further information, Okeba provided more granular, disaggregated data showing first and second rounds of sorting efforts, which clarified that compensation had reduced because the need to resort grain had reduced. This highlights the importance of understanding the specific drivers behind data changes when calculating a WI-ROI.

Business intuition matters



Okeba's management believed the intervention generated financial benefits, but initial data contradicted this belief. This discrepancy prompted further investigation and discussions, extending the WI-ROI calculation process. While calculating a WI-ROI can be costly and time-consuming, especially when data challenges intuition, business intuition itself remains a valuable tool in guiding the analysis.

Conclusion

Calculating a WI-ROI informs companies of the return on their women-inclusive investments. It can also help development practitioners understand and align with private sector goals. Integrating financial performance and social impact goals ensures that women-inclusive investments focus on what matters most to a company, supporting sustainability over time and boosting inclusive growth.

Looking forward, it is important for development practitioners to:

- **Support SMEs in LMICs to collect robust data to confirm business intuition and challenge assumptions around women-inclusive investments:** Okeba believed the childcare investment was increasing its profitability, but assumed it was because the workers were spending more hours in the factory. However, the financial benefits reaped were contributed by their workers' increased ability to focus. Practitioners should supplement quantitative analysis with qualitative research to understand the reasons behind change. While Okeba did collect cost data on resorting labor, it was not initially discussed as a potential indicator for profitability until this analysis was undertaken. Developing a hypothesis and collecting quantitative and qualitative data early on to test this can benefit SMEs during pilot operations by validating or challenging approaches.
- **Understand that increased income does not equal better outcomes for women.** Looking forward, business managers and development practitioners should understand what exactly women stakeholders value in employment settings. Similar to increased output, increased income is not always a primary goal for women. Factors like decision-making power, flexibility, and agency may hold greater value for women than increased income alone. Practitioners and business leaders should actively engage with women stakeholders to tailor women-inclusive strategies accordingly.
- **Know your partners and be flexible in research methodology:** This assignment specifically targeted SMEs, which have largely different challenges compared to large, multinational firms. Many SMEs are early- and growth-stage companies, and at this phase in their evolution, business strategies and product lines can change frequently. Understanding that nuance and how it affects their ROI calculation is critical. Practitioners can aim to take a more iterative model, adjusting the strategy as they understand the context better, and that may take more time than anticipated.
- **Perfect data is costly and often not available:** While accurate data is critical for ROI calculations that can be used for evidence-based decision-making, the pursuit of high-quality, granular, and rigorously collected data that ticks every box can often stall progress and uptake of women-inclusive business models. Instead, business

managers and development practitioners should leverage available data and understand its limitations, find efficient ways to collect data within available resources while applying data best practices, and collaborate to establish realistic expectations for WI-ROI analysis.

References

DCED (2021). Measuring Attributable Change. Implementation Guidelines for the DCED Standard. [Donor Committee for Enterprise Development](#).

Hopkins, L. (2021). Tools and tips for implementing contribution analysis: A quick guide for practitioners. [Itad](#).

ILO (2018). Care Work and Care Jobs for the Future of Decent Work. Geneva, Switzerland: International Labour Office (ILO).

LaFave, D. et al (2021). Impacts of improved biomass cookstoves on child and adult health: Experimental evidence from rural Ethiopia. [World Development](#) 140 (2021) 105332.

Mayne, J. (2008). Contribution analysis: An approach to exploring cause and effect. [ILAC Brief 16](#).

UBOS (2022). Annual Agricultural Survey (AAS) 2019 – Statistical Release. Kampala, Uganda: Uganda Bureau of Statistics (UBOS).

USAID (2018). The State of Maize Flour Fortification in Uganda. Washington, D.C.: USAID. JSI Research & Training Institute under the Strengthening Partnerships, Results, and Innovations in Nutrition Globally (SPRING) project.

USAID (2021). How the private sector measures social inclusion and its return on investment: A framework to inform future research. MarketShare Associates by Erin Markel and Friederike Strub for DAI under the [Feed the Future Market Systems and Partnerships \(MSP\) Activity](#).

USAID (2022). Women-Inclusive Return on Investment Framework. Washington, D.C.: USAID. MarketShare Associates by Erin Markel, Meghan Bolden, Larissa Schneider, and Queena Li for DAI under the [Feed the Future Market Systems and Partnerships \(MSP\) Activity](#).