



# Tackling Childcare

The Business Case for Employer-supported  
Childcare in Sri Lanka

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## Abbreviations and Acronyms

<b>AIA</b>	American Insurance Association
<b>BOI</b>	Board of Investment of Sri Lanka
<b>CCTV</b>	Closed-circuit television
<b>CMC</b>	Colombo Municipal Council
<b>CSR</b>	Corporate Social Responsibility
<b>DCC</b>	Day Care Centers
<b>DFAT</b>	Department of Foreign Affairs and Trade (Government of Australia)
<b>ECCD</b>	Early Childhood Care and Development
<b>FLFP</b>	Female Labor Force Participation
<b>FMCG</b>	Fast-moving consumer goods
<b>G.C.E</b>	General Certificate of Education
<b>GDP</b>	Gross Domestic Product
<b>HR</b>	Human Resources
<b>HIES</b>	Household Income and Expenditure Survey
<b>ICT</b>	Information Communication Technology
<b>IFC</b>	International Finance Corporation
<b>ILO</b>	International Labour Organization
<b>IMF</b>	International Monetary Fund
<b>IT</b>	Information Technology
<b>LCIPS</b>	Ladies' College Institute of Professional Studies
<b>LFPR</b>	Labor Force Participation Rate
<b>LSEG</b>	London Stock Exchange Group
<b>MBO</b>	Maternity Benefits Ordinance
<b>MoE</b>	Ministry of Education
<b>MTIA</b>	Mother's Touch International Academy
<b>NAITA</b>	National Apprentice and Industrial Training Authority
<b>NCPA</b>	National Child Protection Agency
<b>NVQ</b>	National Vocational Qualification
<b>SOA</b>	Shop and Office Act
<b>SDGs</b>	Sustainable Development Goals
<b>SHRM</b>	Society for Human Resource Management
<b>SLASSCOM</b>	Sri Lanka Association for Software and Services Companies
<b>SEZ</b>	Special Economic Zone
<b>TVEC</b>	Tertiary and Vocational Education Commission
<b>UNICEF</b>	United Nations Children's Fund
<b>WEF</b>	World Economic Forum
<b>WiW</b>	Women in Work
<b>WBG</b>	World Bank Group
<b>WBL</b>	Women, Business and the Law



# Acknowledgements

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This initiative was led by Carmen Niethammer (WiW Program Manager) and Aarthy Arunasalam (WiW Employment Lead).

The report was prepared in collaboration with **UNICEF Sri Lanka** and draws on the recent publication *Building Brains, Building Futures*. UNICEF colleagues Paula Bulancea, Earl Jayasuriya, Lara Perera, Rasika Somaweera and Jeremy Sprigg contributed their vast knowledge to this report. The report has benefited from valuable contributions made by IFC and **World Bank** peer reviewers, Harsha Aturupane, Gharam Alkastalani Dexter, Njari Gitonga, Tazeen Hasan, Nathalie Hoffmann, Savani Milupa Jayasooriya, Natalia Kaur Bhatia, Bhattiprolu Murti, Rudaba Nasir, Roshika Singh, and Jennifer Solotaroff.

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This report contains valuable insights provided by *SheWorks* Sri Lanka members **AIA Insurance Lanka PLC, Diesel & Motor Engineering PLC, National Development Bank, SANASA Development Bank, and Virtusa**.

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## IFC Foreword



No country, community, or economy can achieve its potential to meet the challenges of the 21st century without the full and equal participation of women. This is also true for Sri Lanka, which could raise its gross domestic product by as much as 20 percent in the long term by closing the gender gap in the workforce.<sup>3</sup> For Sri Lanka's economy to grow, it needs to maximize the potential of its workforce. Yet, women's formal workforce participation at only 36 percent is low, compared with the labor force participation of men at 76 percent.

To encourage more parents (especially mothers) to join and remain in the labor force, reliable, affordable and good-quality childcare is essential. The lack of such care not only affects early childhood development, but also hurts businesses that depend on acquiring and retaining a skilled workforce. When companies support their employees with their childcare needs, they can hire and retain talent, which in turn boosts profits and productivity. In addition, children who have access to early childhood education are more likely to perform well in school, be healthier, and be more productive as adults.

This report *Tackling Childcare: The Business Case for Employer-supported Childcare in Sri Lanka* responds to IFC client and partner demand for country-specific business case evidence on childcare and practical guidance on putting ideas into practice. It features 10 case studies of companies across sectors—including in the country's key industries such as apparel and information technology—to highlight why employers should consider supporting their employees' childcare needs. The report shows that building an onsite crèche is not the only way forward, as there are many different models through which employers can support their employees. The models the companies choose depend on what they can offer while still gaining business benefits.

We hope this publication reaches hundreds of employers in the country, so they can learn from our partners' experience and replicate what works. It is also a call to action, urging key stakeholders to invest in childcare solutions and support the infrastructure that allows childcare providers to grow at the scale that is needed to support the demand, and generate sustained employment opportunities.

IFC's commitment to advancing employer-supported childcare is anchored in a strong business case and in client demand for gender-smart solutions. In Sri Lanka, we partnered with the Australian Government to implement a four-year Women in Work program to increase women's private sector workforce participation, and in turn, drive overall economic growth.

On behalf of IFC, I would like to thank the 10 companies that shared their experiences and their data for this publication. As part of the World Bank Group, our focus is on fostering shared prosperity and eradicating extreme poverty. Without the inclusion of some of our most vulnerable populations, we will not be able to achieve this. The various organizations of the World Bank Group therefore work together to influence and shape policy initiatives and programs with the public sector, while at the same time operationalizing our shared knowledge through private sector partners. We look forward to creating markets with support from our partnership with UNICEF, as well as with public and private sector partners. Success will score a triple win for all—employees and their children, employers, and communities.

### **Amena Arif**

IFC Country Manager  
for Sri Lanka and the Maldives

# UNICEF Foreword



Work and family. For the vast majority of people, these two concepts are inextricably entwined, and central to their lives. Work, in the form of employment often provides the means to earn and support family, as well as personal and professional meaning. But for many, work and family can be two conflicting priorities – difficult to balance, with a negative impact on each.

We know that many women are forced to make the choice between having a successful, fulfilling career and their role as a mother and caregiver to children. For many men, work limits their time with their children during the critical early years. For employers, especially those with limited flexibility to accommodate family needs, many lose out on the recruitment or retaining of talent and suffer reduced productivity from employees challenged to balance the needs of family life and work. Yet, it is children who often suffer the most profound consequences.

Powerful scientific evidence now shows just how critical a child's first 5 years, and especially their first 1,000 days, are to their ability to succeed in life. In this period, a child's brain grows at an astounding rate, determining how they think, learn and behave. We know that good nutrition including breastmilk, early stimulation, love and protection, are all critical in enabling a child's brain to develop fully during this period, but of equal importance are positive and meaningful interaction between children and their parents from the very beginning of life. These interactions help to shape a child's brain growth and development, making them healthier and happier, and increasing their ability to learn, with long term implications for a child's community and country. Ensuring that employees have access to services that help to give parents the time, resources and information they need to care for their children is therefore vital.

Increasingly the private sector, the main employer in Sri Lanka, is recognizing the role it must play in adopting family-friendly policies that support early childhood development. These policies include providing paid parental leave for both mothers and fathers, paid breastfeeding breaks for mothers, quality early learning opportunities such as pre-schools for children under the age of 5, and employer-supported childcare.

The 10 companies included in *Tackling Childcare, The Business Case for Employer-supported Childcare in Sri Lanka* offer a powerful example to the wider private sector. By providing critical, family-friendly services they are investing in their staff now, reaping business benefits in terms of motivation, productivity and staff retainment, as well as making a key strategic investment in the next generation, who will provide future employees and customers, as well as driving Sri Lanka's economic development and stability. The actions of these companies do not just constitute the 'right' action to take, they are the 'smart' actions that are needed.

I urge the wider private sector in Sri Lanka to read this report and learn from these forward-thinking companies. By taking action to ensure that employees have the ability to balance both work and family life, business can harness real benefits today, and contribute to building of a generation ready to seize the opportunities of the future, and respond to potential challenges, for the benefit of business, and Sri Lanka as a whole.

## **Tim Sutton**

Representative  
UNICEF Sri Lanka



**Economy name:**  
Sri Lanka

**Main business city:**  
Colombo\*

**Region:**  
South Asia

**Income level:**  
Lower middle  
income

**Population:**  
21,203,000

**Female Population:**  
11,000,805

**Labor force participation:**  
36% female  
76% male



### Leave policies

Paid maternity leave	Yes	84 days
Paid paternity leave	No	0
Paid parental leave	No	0



### Legal obligation for employers to support childcare

Obligation for employers to support childcare?	Yes**
Based on the number of female employees?	No
Based on the number of employees regardless of gender?	No
Special legislation on employer-provided childcare?	No



### Government incentives to employers to support childcare

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



### Quality of private childcare services

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

\*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)

\*\*While the 1939 Maternity Benefits Ordinance No. 32 of Sec. 12A.(1) states a requirement for employers of more than a prescribed number to support childcare, the law does not specify such number de-facto translating to no legal obligation for employers.

For additional information on Sri Lanka's relevant policies please refer to Annex E.

# Executive Summary

This report looks at how employers in Sri Lanka can support their employees' childcare needs, and the business benefits such support may bring. It examines the range of business drivers that may motivate companies to explore childcare options, from human resource management to building corporate reputation. While the need for public childcare investments has been discussed in the country, less is published that explains what employers can do and what they have already learned in providing childcare support. This report addresses this gap by drawing on examples across a spectrum of sectors.

In South Asia, fewer than 1 in 4 children under 5 years of age benefit from a preschool provision and in Sri Lanka, an estimated 50 percent of three- to five-year-old children are enrolled in a pre-school.<sup>4</sup> This shortfall constrains early childhood development, school readiness and sustainable social and economic development. Unavailability of affordable and quality childcare bars many parents from entering, continuing or returning to paid work. Despite improved educational and health outcomes, only 36 percent of Sri Lankan women participate in paid work.<sup>5</sup> A recent World Bank Report<sup>6</sup> indicates that having a child under age five at home reduces Sri Lankan women's labor force participation compared with women without young children by 7.4 percent, and this percentage has increased over the years.

In the absence of accessible childcare for employees, Sri Lankan employers face difficulties in recruiting and retaining skilled workers, along with high absenteeism, low maternity return rates and inadequate leadership diversity. Firms consequently confront productivity and competitiveness shortfalls due to workforce gender gaps, resulting in reduced profitability and slower growth. Global research (including IFC's global 2017 Tackling Childcare report) highlights that firms investing in childcare initiatives can reap multiple benefits.

This report suggests that employer-supported childcare can boost labor force quality and diversity while also improving recruitment and retention over employee lifecycles.

## The 10 companies featured in the report:



## THE 10 'TACKLING CHILDCARE IN SRI LANKA' COMPANY CASE STUDIES

This report shows that employer-supported childcare can yield substantial benefits for Sri Lankan employers. It draws on case studies of 10 employers who provide childcare benefits in various ways. The firms represent diverse Sri Lankan locations – seven in Colombo, three elsewhere, thereby ensuring both urban and rural coverage – and diverse sectors, some with female-majority and others with female-minority workforces. The companies are:

- **Brandix Lanka – Holding Company (Brandix)**, garments and apparel
- **Fairway Holdings (Pvt) Limited (Fairway)**, diversified business, offering lifestyle enhancing products and services
- **F. J. & G. de Saram (De Saram)**, legal services
- **Hemas Holdings PLC (Hemas)**, diversified business, including wellness, leisure and mobility services
- **LSEG Technology (LSEG)**, (formerly MillenniumIT (Pvt) Ltd), financial technology
- **MAS Holdings (MAS)**, garment and apparel
- **Selyn**, handloom weaving, home products, toys and fabrics
- **Standard Chartered PLC (Standard Chartered)**, banking and financial services
- **Unilever Sri Lanka Ltd. (Unilever)**, fast moving consumer goods
- **WSO2**, information technology

Besides diversity in profile, the sample reflects IFC's network and employer availability within the project's timeframe.



## 'How' and 'Why' Employers Support Childcare in Sri Lanka

The table below sets out childcare support offered by each firm, indicating a range of experiences and approaches to employer-supported childcare.

### Overview of Types of Childcare Solutions Provided by Case Study Companies

#### On-site:

- Brandix
- Fairway
- LSEG
- MAS Holdings – MAS Kreeda, Vaanavil
- MAS Active Trading (Pvt) Ltd, Colombo
- Unilever
- WSO2

#### Off-site:

- Brandix Essentials Ltd
- Fairway Holdings (Pvt) Limited
- F. J. & G. de Saram

#### Tie-Up:

- WSO2 (after 2-years of age)

#### Back-up care:

- Hemas

#### Workplace Consortium:

- MAS Active Trading (Pvt) Ltd, Katunayake BOI Zone

Firms offer childcare for various proffered reasons.

**De Saram**, Sri Lanka's oldest law firm, provides childcare within its recruitment and retention strategy.

**Selyn**, a handloom company utilizing women weavers, needs to provide childcare to operate at all, especially where for cultural reasons mothers seldom work away from home.

In IT, with its 24/7 operations and lack of diversity across the organizational structure, **LSEG** and **WSO2**, both leading IT companies in Sri Lanka, articulate as their corporate values comprehensive attention to the needs of parents and children so as to improve recruitment and retention in the sector. A worldwide study estimates that closing IT female leadership gaps would add between USD 430 and USD 530 billion in global output.<sup>7</sup>

A major component in the overall economy, apparel export is Sri Lanka's leading foreign exchange earner, representing more than 40 percent of total exports and 52 percent of industrial exports.<sup>8</sup> In 2017, Sri Lanka's garment exports exceeded USD 5 billion.<sup>9</sup> It is estimated that more than 70 percent of Sri Lanka's garment workers are women.<sup>10</sup> Childcare initiatives help **Brandix Essentials** and **MAS** fortify relationships with high-value, international buyers, augmenting market access and growth. Their award-winning women-empowering stances position them as employers of choice.

**Fairway** and **Hemas** diversified businesses with multiple verticals, provide childcare in order to improve employee work-life balance and to foster productivity through increased gender diversity.

Multinationals **Standard Chartered** (financial services) and **Unilever** (fast-moving consumer goods) offer childcare as fundamental components of gender inclusion strategies, focused especially on women in leadership.





## The Development Case for (Employer-supported) Childcare

Poor access to quality childcare poses a key constraint on labor force participation among Sri Lankan women. Many employable women either fail to enter the work force or else exit prematurely and fail to return. Difficulties multiply by virtue of the fact that 23 percent of Sri Lankan households are female-headed.<sup>11</sup> High widowhood levels stem from the long 1983-2009 civil conflict. Some 1.1 million female-headed households in post-conflict areas face high unemployment and other barriers to formal-sector work.

The International Monetary Fund (IMF) concludes that Sri Lanka could raise its long-term gross domestic product (GDP) by up to 20 percent by closing the workforce gender gap. Childcare and early childhood programs are critical to economic development going forward. At only 0.0001 percent of GDP, Sri Lanka lodges one of the world's lowest rates of public spending on early childhood development. Return on early childhood programs can be as high as 13.7 percent. Such programs can raise individual adult incomes up to 25 percent.<sup>12</sup>

Tackling childcare earns childhood development priority in the Sri Lankan Government's Vision 2025 and 2019 Budget. With an eye toward ongoing governmental efforts to ensure quality childcare availability, this report highlights early childhood education initiatives, including a new National Child Day Care Center Policy.

IFC's program of fostering employer-supported childcare in Sri Lanka promotes development through private sector collaboration under the DFAT-funded Women in Work Program. To that end, this report includes resources for parents, employers, and childcare providers. By improving private sector working conditions, IFC can support a skilled workforce, drive gender diversity and spur business growth.



# Methodology

Following its global *Tackling Childcare: The Business Case for Employer-supported Childcare* report, IFC has keenly promoted employer-supported childcare. It has advised Sri Lankan firms on childcare expertise, on regulatory frameworks, and on decision making models. This report draws on the experiences of 10 firms, including some from the IFC-led *SheWorks* Sri Lanka partnership.<sup>13</sup> All have shared their business rationales for providing childcare and reflected on lessons learned in developing childcare strategies. The sample reflects IFC's own network and company availability to participate within the project's timeframe. The box on page 8 sets out childcare support offered by respective participants, which include companies across diverse sectors and locations with varying approaches to childcare support.

IFC's Women in Work team visited each participant for at least half a day--conducting semi-structured interviews with Human Resources (HR) Directors, managers, crèche supervisors, and employees (male and female)--so as to assess impact of childcare initiatives and business benefits for companies. Visits to childcare centers accompanied these interviews, which typically lasted 30 to 60 minutes apiece.



SheWorks Sri Lanka Private Sector Roundtable  
with The Australian Ambassador for Women and Girls, Dr. Sharman Stone on August 7, 2018

# Why Care about Childcare?

## Good for Children

Children with access to early childcare perform better on average in school and become healthier and more productive adults. In South Asia, fewer than one in four children under age five attends pre-school.<sup>14</sup> Traditional childcare from family has grown more scarce in recent times as more women engage in paid employment and families become more dispersed.<sup>15</sup> Most Sri Lankan children who lack early childcare come from highly deprived communities. An estimated 25.2 percent of Sri Lankan children under five risk poor development due to extreme poverty and stunted growth.<sup>16</sup> Some 50 percent of three- to five-year-old Sri Lankans fail to attend pre-school,<sup>17</sup> thereby jeopardizing optimal early development, school readiness and Sri Lanka's long-term development.

**“We have received great feedback from parents stating that the child’s social skills and learning ability are beyond those of other children at school, and Chittukkal graduates top the class. The parents truly value the pre-school curriculum which is taught at a young age by qualified teachers.”**

**Caregiver of MAS Holdings – MAS Kreedha, Vaanavil Creche, Chittukkal**

A World Bank study on Early Childhood Care and Development (ECCD) estimates that some 17,020 Sri Lankan ECCD centers serve some 475,620 children age three to five.<sup>18</sup> This suggests that many children in that age group fail to receive formal childcare. In 2016, 55.6 percent three- to five-olds attended pre-school, 22.6 percent of 3-year-olds and 63.4 percent of 4-year-olds. Increased attendance over the past ten years has been marginal and varies greatly by district.<sup>19</sup> Around 60 percent of pre-schools are private sector, with 24 percent run by membership organizations and religious groups. Income and location heavily determine ECCD access. Children from the wealthiest quintile are 17 percent more likely to attend pre-school than those from the poorest. Urban enrollments are 10 percent higher than rural and estate enrollments. A Colombo Municipal Council (CMC) study of 96 daycare centers (with 3788 children and 311 staff)<sup>20</sup> found mediocre overall quality, with 25 percent rated as poor quality and only six percent as good quality. More than half fell short in staff numbers and 80 percent served excessive numbers of children. The quality of pre-school experience determines its effectiveness in augmenting child learning and development. Though there has been progress on introducing guidelines and standards, impact on quality seems to lag.

## Good for Business

Sri Lankan firms often inhibit their productivity and competitiveness through large gender gaps in employee recruitment, retention, and promotion. This can retard profitability and growth. Despite improved educational and health outcomes, women today participate in Sri Lanka's labor force at a stubbornly low rate of 36 percent, only half that of men at 76 percent. Unemployment among women is double that of men. Companies across sectors, including the projected growth sectors of tourism and IT, complain of skilled labor shortages.

In its recent report, *Getting to Work: Unlocking Women's Potential in Sri Lanka's Labor Force*, the World Bank highlights main factors impeding women's participation in paid work: marriage, childrearing and household chores disproportionately performed by women.<sup>21</sup> It finds that marriage drastically lowers a woman's odds of securing paid work (26 percent), while increasing the odds slightly for men (2.5 percent). The report observes that having a child under age five at home makes women 7.4 percent less likely to join the labor force than women without young children. This gap is larger than it was in 2009, 2011, and 2013, when childrearing went with reduced women's labor force participation of 7.0, 5.0 and 6.0 percent, respectively.<sup>22</sup>

**“The supervisor ensures we are constantly kept informed of the progress and whereabouts of our children. My son gets dropped off to the ‘Kidkare’ by a school van. If my phone rings at 2:30 p.m., I know that the crèche supervisor is calling to inform me that he still has not reached the crèche. It always is 2:30 p.m. and not a minute late, which shows the care and responsibility the crèche has towards my son. This helps me perform and concentrate on work without being distracted thinking about the safety of my son.”**

**A father working at Standard Chartered PLC**

Poor access to quality childcare constrains labor force participation among Sri Lankan women. Difficulties multiply by virtue of the fact that 23 percent of Sri Lankan households are female-headed.<sup>23</sup> High widowhood levels stem from the long 1983-2009 civil conflict. Some 1.1 million widow-headed households in post-conflict areas face high unemployment and other barriers to formal-sector work. Childcare provision could enable companies to recruit and retain single parents. Globally, more women receive wages where governments support or provide childcare.<sup>24</sup>



## Good for the Economy

Investing in early childhood development benefits national economies by promoting higher-skilled workforces prepared for future challenges like those posed by globalization and digitalization.<sup>25</sup> With a predicted labor force declining from 2026 onward and a rapidly ageing population, Sri Lanka needs more working women to meet growth objectives. The IMF concludes that Sri Lanka could raise its long-term gross domestic product (GDP) by up to 20 percent by closing the workforce gender gap. (“Model based simulations indicate that closing the gender gap in 50 years could raise incomes by about 21 percent by the year the gap is closed”).<sup>26</sup>

Childcare and early childhood programs are critical to economic development going forward. At only 0.0001 percent of GDP, Sri Lanka lodges one of the world’s lowest rates of public spending on early childhood development: lower than its South Asian neighbours and lower than many Sub-Saharan African countries.<sup>28</sup> Return on early childhood programs can be as high as 13.7 percent. Such programs can raise adult incomes up to 25 percent.<sup>29</sup>

**“Unless Sri Lanka invests in its workforce to enable innovation and increase productivity to meet the needs of the future, it will be trapped in the middle-class status unable to transform its economy. This will result in a struggle to compete in the existing knowledge-based economy in the region.”**

**Jean Gough, UNICEF Regional Director for South Asia, emphasized at the 2018 Building Brains, Building Futures event in Colombo.<sup>27</sup>**

Where governments publicly provide or subsidize childcare for pre-school children, women are more likely to receive wages.<sup>32</sup> Recent World Bank Group research covering more than 100 economies suggests that support for parents—such as tax credits and early childcare—can increase women’s labor force participation. Evidence suggests that pre-school yields comparable benefits. Tax deductions for childcare expenses can ease parental burdens. Such deductions can induce parents to (re)enter the workforce.

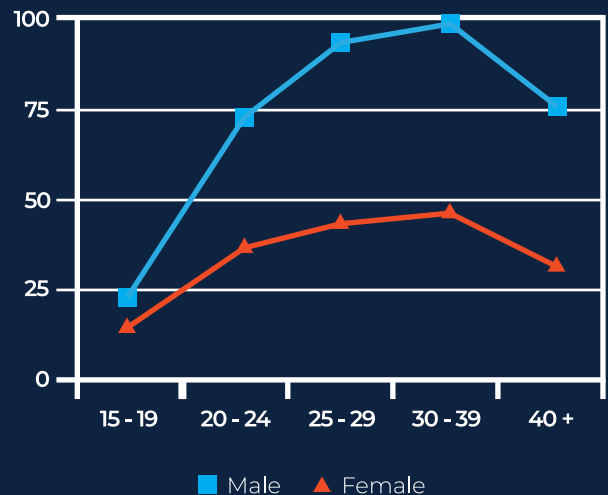
**“Going forward it is critical for both the private and public sectors to implement regulations and provide incentives for the provision of high-quality crèche and childcare services.”**

**Chiranthi Cooray, Chief Human Resources Officer at Hatton National Bank, and Chairperson of the Prime Minister’s Task Force for the 2017 Female Labor Participation Force (FLPF) Strategy.<sup>31</sup>**

## Female Labor Force Participation in Sri Lanka

Despite improved educational and health outcomes, women made up only 36.6 percent of Sri Lanka’s workforce in 2017 while accounting for 74.5 percent among an economically inactive population totaling about 7.3 million.<sup>30</sup> Comparing male-female labor force participation across age groups further highlights the gap.

Participation by Gender and Age (2015)



Source: Annual labor force surveys, Department of Census and Statistics, 2015



## Government's Action towards Childcare Provisions in Sri Lanka

With Sri Lankan employers increasingly offering childcare, scalability will benefit from an enabling regulatory framework, from partnership with private firms and from investments in quality providers.

The following Sri Lankan government initiatives were underway in September 2018:

- 1 Amendment of law for maternal and paternal leave:** The 2017 Prime Minister's Task Force for the Female Labor Participation Force (FLPF) Strategy suggests a legal amendment to allow for both maternal and paternal post-childbirth leave.<sup>33,34</sup>
- 2 National Guidelines for Child Day Care Centers:** The National Child Protection Authority (NCPA) and the Prime Minister's Office have jointly drafted comprehensive National Guidelines for Child Day Care Centers aimed at quality assurance and standardized processes nationwide. The Guidelines set out standards for care centers and extend child eligibility up to age 18. Caregiver training receives due emphasis.<sup>35</sup>  
  
The Ministry of Women and Child Affairs sponsors a technical committee tasked with developing a national policy ensuring access and quality, aiming to encourage workforce participation among women.<sup>36</sup>
- 3 Curriculum on Child Care Giving:** NCPA has drafted a National Vocational Qualification (NVQ) level 4 curriculum on Child Care Giving. Collaborating with the National Apprentice and Industrial Training Authority (NAITA) and the Tertiary and Vocational Education Commission (TVEC), it works to make the curriculum available for those seeking qualification as childcare workers and certifications in caregiver skills.<sup>37</sup>
- 4 Investments in Early Childhood Development (ECD):** The 2019 budget proposal is expected to set forth significant ECD investments, including a public-private partnership model for facilities, designed to enhance quality.<sup>38</sup>
- 5 Investments in Daycare Centers:** The Department of National Planning has secured a USD 3.5 million loan for opening 2000 daycare centers nationwide and for training 10,000 operators.<sup>39</sup>

## World Bank Group's Women, Business and the Law 2018 Findings on Tackling Childcare

As part of its global Tackling Childcare research ([www.ifc.org/tacklingchildcare](http://www.ifc.org/tacklingchildcare)), IFC has collaborated with the World Bank Group's Women, Business and the Law team to study policies and regulations across one hundred economies that can aid or hinder employer-supported childcare.

What did IFC learn?

- Women's employment stands significantly higher in countries that mandate paternity leave.
- More women work for pay in economies with fully paid maternity and parental leave.
- More women work for pay where governments offer childcare options.

Sri Lanka is not regionally alone in seeking innovative childcare solutions. India, for example, now mandates that employers provide or support childcare, having enacted a new Maternity Benefits Amendment Act, effective July 1, 2017. Median worldwide length of paid paternity leave is five days in the 91 economies that mandate it, which means that maternity leave is 93 days longer on average.<sup>40</sup> Support for parents, through childcare tax credits or deductions, can increase pre-school enrollment.<sup>41</sup>

## Maternity Benefits in Sri Lanka

In June 2018, Sri Lanka's Parliament approved amendments to the Shop and Office Employees Act, [Shop and Office Employees (Regulation of Employment and Remuneration) (Amendment) Act, No. 14 of 2018] (Act) and to the Maternity Benefits Ordinance, [Maternity Benefits (Amendment) Act, No. 15 of 2018] (Ordinance), aimed at enhancing maternity benefits. The amendments remove disparities between the Act and the Ordinance on maternity leave and benefits. They align Sri Lankan law with ILO Convention No. 103 on Maternity Benefits, which Sri Lanka ratified in 1995.<sup>42</sup>

### Amendments to Maternity Benefits in Sri Lanka

	2018 Amended Maternity Leave/ Benefits <sup>43</sup>	Maternity Leave / Benefits <sup>44</sup> Prior to the Amendment <sup>45</sup>
The Shop and Office Act (applicable to)	<ul style="list-style-type: none"> <li>Fully paid 84 working days of maternity leave for every woman who gives birth to a live child.</li> <li>Fully paid 42 working days of maternity leave, if the confinement does not result in a live child or viable fetus.</li> <li>Option of up to 14 days pre-confinement leave, with days taken deducted from post-confinement maternity leave.</li> <li>Maternity leave additional to other holidays or leave conferred by the Act.</li> <li>Two paid nursing intervals allowed per 9-hour work shift for mothers nursing children less than one year old (in addition to meal intervals). Interval to be at least 30 minutes if a 'creche' or other suitable place is provided and at least one hour otherwise. Nursing intervals to be taken at employee convenience.</li> </ul>	<ul style="list-style-type: none"> <li>Fully paid 84 working days of maternity leave in the event where there is no living child or one living child at the time of confinement.</li> <li>Fully paid 42 working days of maternity leave in the event where there is more than one living child at the time of confinement.</li> <li>Fully paid 42 working days of maternity leave, if the confinement does not result in a live child or viable fetus.</li> <li>Option of up to 14 days pre-confinement leave, with days taken deducted from post-confinement maternity leave.</li> <li>Maternity leave additional to other holidays or leave conferred by the Act.</li> <li>No provision on nursing intervals.</li> </ul>
Maternity Benefits Ordinance (applicable to)	<ul style="list-style-type: none"> <li>Fully paid 12 weeks of maternity leave for every woman who gives birth to a live child.</li> <li>Fully paid 6 weeks of maternity leave if the confinement does not result in a live child or viable fetus.</li> <li>Option of up to 2 weeks as pre-confinement leave, with days taken deducted from post-confinement maternity leave.</li> <li>Maternity leave additional to holidays or leave conferred by any other law or regulation.</li> <li>Two paid nursing intervals allowed per 9-hour work shift for mothers nursing children less than one year old (in addition to meal intervals).</li> <li>Interval to be at least 30 minutes if a 'creche' or other suitable place is provided and at least one hour otherwise.</li> <li>Nursing intervals to be taken at employee convenience.</li> </ul>	<ul style="list-style-type: none"> <li>For the first two children: fully paid 12 weeks maternity leave in the event where there is no living child or one living child at the time of confinement.</li> <li>From the third child and subsequent children or dead child, or viable fetus: fully paid 6 weeks maternity leave in the event where there is more than one living child at the time of confinement.</li> <li>Two paid nursing intervals allowed per 9-hour work shift for mothers nursing children less than one year old (in addition to meal intervals). Interval to be at least 30 minutes if a 'creche' or other suitable place is provided and at least one hour otherwise.</li> <li>Nursing intervals to be taken at employee convenience.</li> </ul>



# The Business Case for Employer-supported Childcare

Because women generally carry more child care responsibility than men do, absence of employer-supported childcare options can impede their participation in paid work.<sup>46</sup> Global research suggests that companies investing in childcare can reap multiple benefits. Childcare support can boost labor force quality by fostering women's employability, thereby widening pools of potential workers. It can boost talent retention also.

## Childcare Facilities in Special Economic Zones

Established in 1978, the Katunayake SEZ is Sri Lanka's largest and oldest special economic zone. It houses 82 enterprises from diverse sectors and some 39,000 workers, of whom 22,300 (or 57%) are women (Source: [http://www.investsrilanka.com/free\\_trade\\_zones/katunayake](http://www.investsrilanka.com/free_trade_zones/katunayake)). In 2015, it launched a childcare facility with capacity to serve up to 75 children ages 2-6. The initiative responded to demand for childcare from garment manufacturers. The facility is managed by a supervisor, four teachers and four nannies. All teachers have a Diploma in Early Childhood Education and Primary Education from the Open University of Sri Lanka. The facility benefits from a parents' committee which meets monthly.

"Key drivers for the childcare facility in the SEZ were the recruitment and retention of the female workforce as well as the attraction of smaller enterprises to the special economic zone," comments Engineer M K D Lawrance, BOI Executive Director of Zones, who spearheaded establishment of the crèche. "The facility represents a value-added Board of Investment of Sri Lanka (BOI) service to enterprises keen on retaining trained employees. It aligns with the Sri Lankan Government in its mandate to empower women and support working women." To establish the crèche, a BOI-owned building was converted using BOI funds. Costs are covered by enrollment fees paid by either parents or firms. Firms have different subsidy models, ranging from no support to full support. Service costs Rs. 3000 per month. As of September 2018, the crèche served 72 children from parents (both mothers and fathers) of 23 employers. Children enjoy a common meal, a nurse and regular medical exams.

Based on this experience, there are plans to roll out facilities at other Sri Lankan SEZs. In early 2018, BOI opened a second crèche, this one at the Biyagama Export Processing Zone, which houses 53 enterprises.

*Source: IFC notes from 2016 and 2018 visits to Katunayake*



## Benefits to Business

Viewing childcare provision as investments in their work force and in sustainable growth, companies around the world have chosen to go beyond regulatory requirements. Because workplace crèches can play a key role in talent recruitment and retention, firms are encouraged to explore whether to provide one. Based on case studies with 10 Sri Lankan firms for this report, the top five business improvements of establishing workplace crèches are recruitment, retention, productivity, diversity, and market access.

Firms cite various reasons for offering childcare.

**De Saram**, Sri Lanka's oldest law firm, provides childcare as part of its recruitment and retention strategy, 64 percent of its work force being women. **Selyn**, a handloom company utilizing women weavers, needs to provide childcare to operate at all, especially where for cultural reasons mothers seldom work away from home. In IT, with its 24/7 operations and non-diverse organizational structure, sector leaders **LSEC** and **WSO2** articulate as their corporate values comprehensive attention to the needs of parents and children so as to improve recruitment and retention in the sector. A worldwide study estimates that closing IT female leadership gaps would add between USD 430 and USD 530 billion in global output.<sup>47</sup>

A major component in the overall economy, apparel export is Sri Lanka's leading foreign exchange earner, representing more than 40 percent of total exports and 52 percent of industrial exports.<sup>48</sup> It is estimated that more than 70 percent of Sri Lanka's garment workers are women.<sup>49</sup> Childcare initiatives help **Brandix** and **MAS** fortify relationships with high-value international buyers, augmenting market access and growth. Their award-winning women-empowering stances also position them as employers of choice. **Fairway** and **Hemas**, diversified businesses with multiple verticals, provide childcare so as to improve employee work-life balance and to foster productivity through increased gender diversity. Multinationals **Standard Chartered** (financial services), and **Unilever** (fast-moving consumer goods) offer childcare as fundamental components of gender inclusion strategies, focused especially on women in leadership. Beyond these cited benefits, employer-sponsored childcare can promote brand value, secure corporate good will and help firms succeed in markets with high corporate social responsibility benchmarks.

### Business benefits for recruitment:

Many observers note that employer-provided childcare broadens the pool of quality recruits. According to **De Saram**, it has boosted recruitment and retention of the country's best lawyers, yielding a near 100 percent maternity return rate. By offering childcare support, **WSO2** succeeds in recruiting women employees for its 24/7 operations even though female recruitment lags in the IT sector generally. Childcare support also helps **LSEC**, **MAS** and **Selyn** recruit women in remote regions.

### Business benefits for retention:

Offering childcare can yield substantial reductions in employee turnover, as **De Saram** points out. Replacing an experienced employee, even if unskilled, can be costly. The Center for American Progress observes that businesses spend about 21 percent of a departed employee's annual salary to replace them. **Standard Chartered** reported substantial savings upon hiking its maternity leave from 84 to 100 days, having invested in childcare and related initiatives such as extended maternity leave.

**Brandix** and **Unilever** report savings in hiring and onboarding costs after launching childcare. Maternity return rates moved upward, especially among employees tasked with large portfolios and client relations. At **Brandix**, a garment worker is expected to be fully productive after six months. Childcare offered by **MAS** fortifies workforce stability and retention and augments the firm's reputation in areas of low labor force participation among single parents.



### **Business benefits through productivity gains:**

Providing childcare can improve productivity through reduced absenteeism, improved concentration, enhanced motivation and hiked commitment. At **MAS**, the sick leave absenteeism fell by nine percent after launch of a daycare center at MAS Kreedaa, Vaanavil. By enabling employees to work through childcare crises, **Hemas** recoups costs of its back-up on-site care benefits.

**Selyn** supports safe on-site afterschool childcare, thereby boosting productivity and reducing absenteeism.

Employees of **Fairway**, **LSEG**, **Unilever**, and **WSO2** report greater employee peace of mind and improved concentration due to on-site crèches.

**“I am now more focused at work because my child is here with me at the factory; it gives me peace of mind to go and visit my daughter during break hours just to see her smile and know that she is in safe hands of the best caregivers.”**

**Father, user of Chittukkal crèche at MAS Kreedaa Vaanavil.**

### **Increased workforce diversity:**

Childcare is deemed essential to improving gender diversity and promoting women in leadership at **LSEG**, **Standard Chartered**, **Unilever** and **WSO2**. These firms also expect childcare programs to help improve relationships and visibility with key stakeholders, clients, and consumers. **WSO2** focuses especially on developing women in leadership. Women make up 35 percent of its entry hires but only 19 percent of middle management, with the drop-off attributed to family obligations.

**WSO2** hopes to redress this talent attrition through fast-track career development (coaching and leadership) programs.

### **Business benefits through enhanced corporate reputation and access to markets:**

Brandix and MAS both report that their childcare initiatives further enhance their reputations as “employer of choice” in communities where they operate. They also cite their initiatives for strengthening relationships with high-value international buyers, thereby augmenting market access and growth.

### **AIA Insurance: Company and Employees Working Towards Upliftment of Children**

Sri Lanka's AIA Insurance has pursued a commendable initiative on improving the lives of children focused on improved educational facilities for disadvantaged primary schoolkids. Through its ‘Lend a Hand’ program, it provides needy rural schools with well-equipped buildings, library facilities, computer labs, play areas and so on, along with such items as books, school bags and shoes. Employees can take paid leave to assist the program and their involvement is high: enough for AIA to win an award for ‘Best in Engaging People in CR’ 2015 from Great Place to Work®. At an annual cost around Rs. 5 million, the program reaches war torn areas, indigenous communities and rescued street kids. Beneficiary communities since 2012 include Kalutara, Jaffna, Mullaitivu, Monaragela - Rathugala, Bandarawela and Homagama, with rollout in Udugama and Kandy having been slated for 2018.

AIA also supports employees who provide financial help to disadvantaged children through a foster parenting scheme in collaboration with Sri Lanka's Department of Probation and Child Care Services (DPCC). Each participating employee contributes monthly for a year and the funds go to foster child daily needs and education. DPCC visits foster child schools and homes to check on progress, ensure school attendance and otherwise help make the sponsorship effective. AIA's health protection policies assist parents to insure their children against medical emergencies and accidents. In 2018 AIA won four awards from Great Place to Work® for its best-in-class corporate practices, including an award for ‘Best Workplace for Women’ recognizing its long-term women-friendly commitment.

# The Development Case for Employer-supported Childcare

## Benefits to Parents

Poor access to high-quality childcare is a leading reason for parents with children to drop out of the labor force. This can yield lower household incomes and lost opportunities for workplace advancement. Poor childcare access can also affect life choices of those who continue working. A father interviewed for the 2017 IFC Tackling Childcare Mindtree case study (Mindtree being a large IT employer in India) illustrates: 'I was offered a salary from another company that was 30 percent higher, but declined the offer, as I wanted to stay at Mindtree, where I could visit my young son two or three times a day at the on-site crèche.<sup>50</sup>

**“Initially when I used to carry my son’s bag filled with diapers and food to drop him at the creche, my colleagues used to make fun of me, whereas over time they have understood the importance of the role of a father. Driving from home and back is my bonding time with my son which I would not want to compromise for anything else.”**

**Father, WSO2**

The 2015 State of the World’s Fathers report finds that women spend two to ten times more time on childcare than even those men who engage in some childcare. Lack of paternity leave for new fathers may be part of the problem. Up to 77 percent of fathers say they would work less if it meant they could spend more time with their children. In Sweden, every month in paternity leave taken hikes the mother’s income by 6.7 percent as measured four years later, more than she lost by taking parental leave herself.<sup>51</sup>

2017 Bright Horizons data from more than 2000 United States parents using a workplace crèche found that<sup>52</sup>:

- 84 percent of female managers reported that the crèche boosted pursuit or attainment of higher position
- 91 percent reported that the crèche boosted integration of personal and professional demands
- 79 percent reported that the crèche reduces stress in managing work and personal duties

**Unilever** supports work-life balance with six months maternity leave, three weeks paternity leave, extended career breaks, flexible scheduling, and agile working programs. **Hemas** and **Standard Chartered** provide two weeks of paid leave to new fathers. **Diesel & Motor Engineering (DIMO)** recently inaugurated five-day leave for new fathers. Its parental leave now covers adoption and it offers 84-day paternity leave in case of the mother’s death due to child birth.

**“It was truly wonderful to have a few hassle-free days when I was most needed at home upon the arrival of my newest family member. Those 5 days allowed me to feel the real bliss of fatherhood. Thank you DIMO!”**

**Father of a newborn, DIMO**

**National Development Bank** has introduced schedule flexibility whereby mothers can work from 7:30 a.m. to 4:00 p.m. instead of normal hours so that they can drop children at school and be home after school. The bank reminds mothers to use their breastfeeding breaks. It also offers paternity leave and plans to introduce adoption leave as well. **AIA Insurance** began offering 100 days paid maternity leave and 30 days for adoption in 2014. When a child is five to six months old, mothers may cut two hours off the standard work day and for six- month to one year olds they may cut one hour. AIA fathers receive a week’s paternity leave. For children born with special care needs, mothers can request extended paid leave.

By cutting stress and promoting work-life balance, workplace crèches support employment retention among parents. Employer-supported child care also facilitates dual earning households and shared parental responsibilities.



### Corporate Social Responsibility (CSR) Arm of Hemas Holdings PLC (box) Refurbishes the Childcare Center at the Welikada Prison

In February 2018, Hemas Outreach Foundation, the CSR arm of Hemas, helped refurbish the childcare center at the Welikada prison. The Rs. 3.5 million project enhances the lives of children residing at the prison with their incarcerated mothers. The upgrade included bedding, sanitation and a play area. It emerged from a larger 'Piyawara' project launched in 2002 along with the Children's Secretariat of the Ministry of Women and Child Affairs. Piyawara assists deprived children within an ECCD framework, supporting 44 pre-schools across the country.

"The management and staff at Hemas place immense value on Piyawara Singithi Diriya and extend their support towards the success of this project," said Hemas Outreach Foundation Executive Director, Shiromi Masakorala. She added that the project provides a platform for implementing ongoing initiatives in line with Hemas' CSR priorities. "We will continue making investments into ECCD and assisting the Government of Sri Lanka address a national need," Ms. Masakorala said.

Source: Extracted from the article "Hemas Piyawara Unveils Childcare Center at Welikada Prison." Published in The Daily Mirror, [www.dailymirror.lk](http://www.dailymirror.lk) February 14, 2018

### Policies to Promote Fathers' Uptake of Parental Leave

Economy	Examples
Austria	Parents each receive an additional bonus cash payment if they share their leave equally or at least 60:40.
France	Parents receive higher payments if they both take some leave.
Italy	Parents receive an additional month of leave if the father takes at least 3 of the initial 10 months
Germany	Parents receive pay for an additional 2 months of leave if they each take at least 2 of the initial 12 months.
Japan	Parents receive an additional 2 months of paid leave if they share the initial 12 months
Korea, Rep.	The second parent to take parental leave (typically the father) receive 100% of his wages up to the ceiling for 3 months. The first parent receives 40%.
Norway	Seventy days of the total postnatal parental leave period are reserved for each parent.
Portugal	Parents who share the initial 120 days of parental leave receive an additional 30 days.
Romania	The parent who did not initially request parental leave (typically the father) is obliged to take 1 of the 24 months of leave.
Sweden	Ninety of the 480 days of paid parental leave are reserved for each parent.

Source: Women, Business and the Law database

## Benefits to Children

Children with early education and childcare perform better in school, stay healthier and become more productive adults than those without it. Sri Lankan companies profiled here have focused not only on physical facilities, but also on such dimensions as early childhood education, pre-school curricula, learning goals, and staff training. **Fairway** requires that all crèche staff complete professional training. One junior staffer, for example, earned her Foundation Certificate in Children's Service from Mother's Touch International Academy, which offers early childhood education qualifications and is endorsed by the Child Protection Authority.<sup>53</sup>

On top of providing creches, **MAS** and **Selyn** offer early childhood education curricula that have produced good school performance results. A qualified teacher at **De Saram** brings to bear 18 years' experience in age-appropriate learning. She helps schoolkids with homework, freeing parents from that burden, and incorporates enrichment activities like arts and crafts, free play, celebrations and dance.





## UNICEF, Building Brains, Building Futures 2018

The early moments of life offer an unparalleled opportunity to build the brains of the children who will ultimately build the future. But too often, this is an opportunity squandered.

For nations, the cost of not investing in a child's early moments is a generation with poorer health, fewer learning skills and reduced earning potential. It is a weaker economy and a greater burden on health, education and welfare systems. It is intergenerational cycles of poverty and disadvantage that hinder equitable growth and prosperity.

For children, especially children from disadvantaged communities, the price of this failure is lost potential.

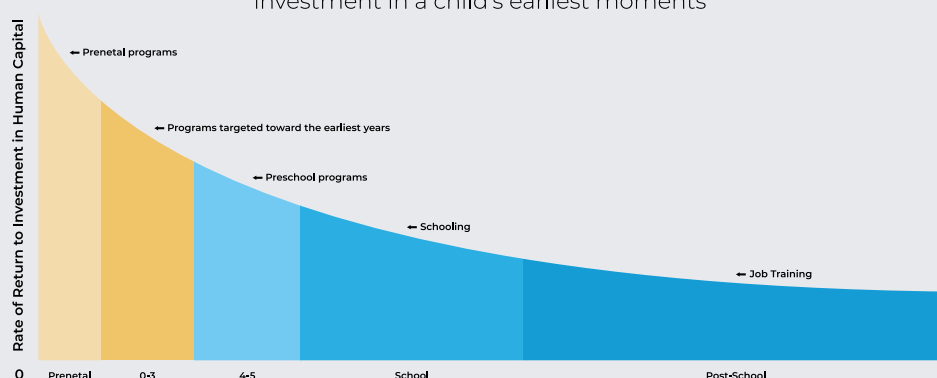
The science is clear: A child's brain is built, not born.

The process begins before birth and involves a complex interplay of neural connections that are shaped by experience and environment. In the early years between conception and 5 years of age, these neural connections occur at lightning speed – a speed never again repeated. They establish a foundation of development that will help children grow, learn and thrive. This process is fueled by adequate nutrition, protection from harm and responsive stimulation including early learning opportunities.

Unfortunately, many millions of children around the world, including in Sri Lanka, are deprived of the elements that foster optimal brain development. They do not have nutritious food or health care; they are not protected from violence, extreme stress, pollution and conflict; they are starved of responsive stimulation from a caring adult; and they miss out on opportunities to learn. Negative experiences can slow down and alter how neural connections are made in a baby's brain. They can impact a child's ability to grow and learn, and they can even reduce future earnings by up to 25 percent. For example, exposure to violence, abuse and neglect can produce toxic stress, which when prolonged and extreme, can interfere with the development of neural connections.

These deprivations can limit a child's development and harm their opportunities in the future. For nations, the loss of individual potential can turn into an unhealthy and ill-equipped workforce. It hampers economic growth and strains education, health and welfare systems. It leads to cycles of deprivation and dependence that can continue for generations.

The Heckman curve: The highest economic returns come from investment in a child's earliest moments



NOTE: The X-axis is the age range for children and the y-axis is the rate of return to investment in human capital.

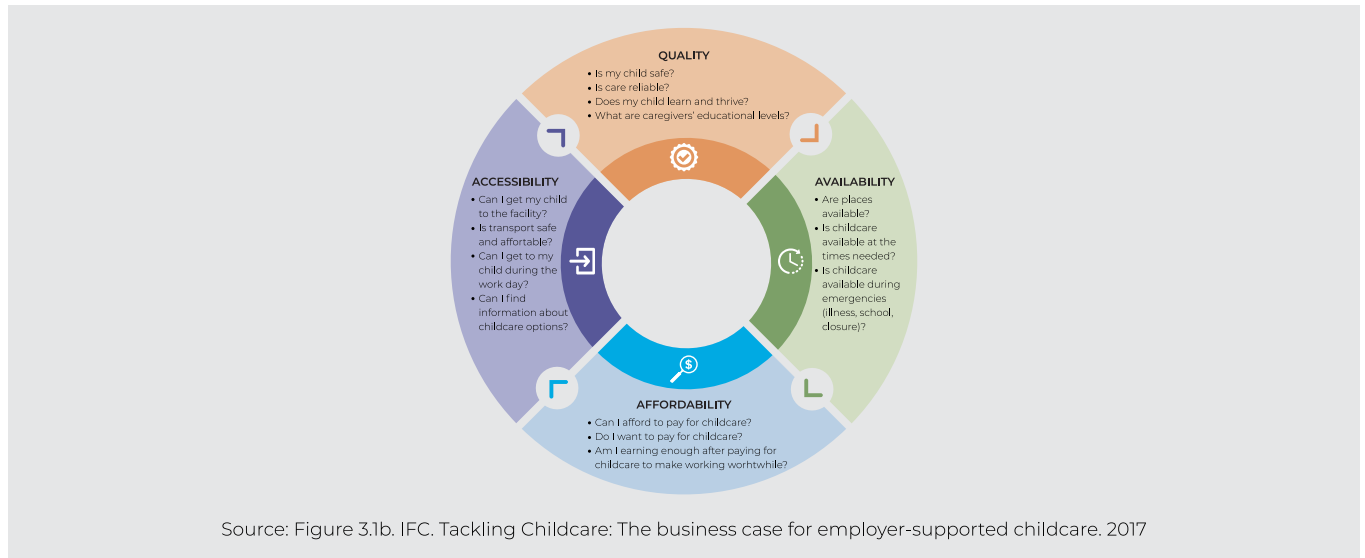
Source: James J. Heckman, The Heckman Curve

This graphic shows that the highest rate of the economic returns comes from the earliest investments in children, providing an understanding that society invests more in later development when it is often too late to provide great value. It shows the economic benefits of investing early and building skill upon skill to provide greater success to more children and greater productivity and reduce social spending for society.

Source: UNICEF, Building Brains, Building Futures 2018

# Four Dimensions of Childcare Support

Employee preferences are important to understanding demand for employer-supported childcare. Reflecting cultural and social norms, childcare demand can be considered across four dimensions: availability, affordability, accessibility and quality.



**Availability** refers both to overall childcare in a locality and its fit with parental working hours. The **Unilever** on-site crèche is currently managed by third party **Humming Birds**, which staffs two work shifts with a qualified head mistress, teachers and caregivers. Part time care can be arranged at the Unilever site on weekdays, and Saturday drop-offs at the **Humming Birds** site can be arranged for a special rate. Parents can share a night meal upon picking up their children.

**Affordability** refers to the interaction of baseline costs and financial support like subsidies and allowances. Employers carry all costs, share costs evenly with employee parents, or subsidize some over others. **Fairway** and **De Saram** provide their on-site crèches free of charge. **MAS** provides it at a subsidized rate of only Rs. 750 monthly.

**Accessibility** refers to the ease and safety with which childcare can be reached. Many employees live quite far from their places of work. In Colombo, getting to work can involve prolonged commutes, which might be unsafe or unhealthy for children. Transport challenges may be especially acute in rural areas, where travel modes among home, crèche, and workplace may be nonexistent, constrained, or overly time consuming.

**MAS** provides bus transport and **Selyn** in Kurunegala provides bicycles to support worker commutes. Both may be unsuitable for children, however. For parents of infants and toddlers, especially breastfeeding mothers, proximity to work or off-site crèche may be paramount. Transport can be awkward also with older children such that parents may prefer childcare closer to school. Employers may benefit from offering van service for creches.

**Quality** refers to a range of factors, from simple safety to developmental concerns like cognitive and emotional skills acquisition. Application of early childhood education science is highly pertinent. Especially in higher-income countries, crèche care is regulated, with governments determining maximum group sizes, ratios of children to caregivers, caregiver qualifications, and physical facilities (World Bank Group, 2018). Fazeela Dharmaratne founder of **CeeBees** which provides third-party childcare to clients including **LSEG**, **MAS** and **WSO2**, comments: "The trust factor is the most important aspect of providing quality childcare."<sup>54</sup>

Employers can address these dimensions from various standpoints, depending on their own priorities and those of their employees. Consulting with employee parents is key to fashioning effective childcare across the four dimensions. Critical also is to grasp cultural and social norms influencing both demand for and supply of childcare. This report includes a **childcare demand survey** (Annexure A) which can help employers shape priorities and anticipate challenges on whether, how, for whom, of what type and at what cost it may want to support childcare.

# Types of Childcare Solutions

Sri Lankan case studies in this report illustrate varying approaches to childcare support, responding to diverse employer priorities, employee needs, employee demographics, resource availability, financial constraints and other factors. Support can range from simple and uniform to highly customizable. It varies also according to service and accountability arrangements struck with third-party providers.

## On-site Crèche

When sufficiently subsidized and high-quality, on-site crèches earn greatest perceived value among employees and highest return to employers, compared with other options. For firms with adequate space, an on-site creche can make a powerful statement about company values and culture. It features high convenience and visibility, making it especially valuable on recruitment and retention. Nursing mothers particularly may favor on-site creches. On the other hand, on-site creches can be resource intensive and expensive to establish and operate. They may be infeasible for multi-location firms. On-site crèches can maximize parental proximity to children, especially vital for infants. **Unilever** encourages employees to observe their children through closed-circuit television software installed on their computers. Its women employees stress its childcare and maternity benefits as key reasons to keep working there, as high retention rates and 100 percent maternity return rates attest. Other firms with on-site childcare, including **Brandix, Fairway, De Saram, LSEG, MAS, Selyn** and **WSO2** also report that parents greatly appreciate visiting their children during the work day.

## Tie-Up (Third Party Outsourcing)

A tie-up is an arrangement whereby an employer secures crèche service for its employees from a third-party provider. The employer may pay fees fully or partly and may also negotiate reduced fees for its employees. Outsourcing to third-party providers can help employers offer more flexible options like back-up care and matching extended work hours. Employers of course avoid having to build and operate creches themselves. In the sample here, outsourced provision is more common than are internally managed programs. Third-party childcare providers in Sri Lanka are (see Annexure B) currently scarce, however. **LSEG, MAS and WSO2** have outsourced crèche services to **CeeBees Pre-school and Childcare Centers**. Parents may place children in any available CeeBees center after age two. **Brandix, Standard Chartered** and **Unilever** also outsource their childcare management. The main downside of tie-ups for employers may be reduced control and accountability. Employees of course miss the easy visitation provided by on-site creches.

## Workplace Consortium

In a workplace consortium, multiple employers share a crèche facility. This pooling model often succeeds in business parks, special economic zones and office buildings with multiple employers. Negotiations among participating employers may be challenging but expenses and oversight responsibility can be cut through pooling. As noted above **BOI** has launched consortium creches in Katunayake and Biyagama special economic zones (see text box on page 15)

"**The Municipality of Colombo** wants to be a place for happy, healthy and safe citizens (including women and children). Only through public private partnerships will we be able to better support the important agenda of early childhood development. To this end, the Municipality of Colombo is in the process of exploring a Workplace Childcare Consortium around childcare provision for employees in Colombo's fast-growing hospitality sector.

This could boost parents' labor force participation (especially that of women); support children's educational outcomes; enhance customers' travel experiences; increase hotels' business performance and the municipality's tax revenues," says The Honorable Rosy Senanayake, (first female) Mayor of Colombo.

## Back-up Care

Back-up childcare confronts both predictable situations like school holidays and unpredictable ones like failure of usual childcare arrangements or child illness. Back-up care provision can come from on-site, third-party and consortium creches or in other ways like bring-your-child-to-work arrangements. **Hemas** has launched a pilot backup childcare facility (KidZone) at its head office for children age three to twelve. It is meant not for regular childcare but for relief when regular childcare arrangements fail. Hemas may use the pilot experience to explore more comprehensive childcare support.

*SheWorks* member **Virtusa**, a NASDAQ listed digital engineering company headquartered in the USA, operates as a leading offshore technology services provider in Sri Lanka and employs a significant share of its total workforce of over 19,000 from within the country. It is in the process of creating a child friendly work space which caters to children over 3 years of age. This initiative is expected to provide an opportunity for parents to oversee children from an adjoining work station while the children are kept safe and occupied in these spaces. The company also encourages employees to bring their kids to work in order to create a family-friendly work environment.

# Key Recommendations

Providing employer-supported childcare can be a win-win-win solution for employees, companies, and communities. The report's core recommendations for key stakeholders are discussed below:

- **For Parents**

**Because parents factor crucially in giving children good life starts, it is important for parents and employers to coordinate closely in devising employer-provided childcare.** Sri Lankan parents often prefer home childcare over outside providers. Yet studies show that children from six months to four years of age can benefit from daycare, especially from quality instruction, structure and social lessons. Employers profiled here benefit from active parental involvement in designing and implementing childcare solutions. Parents drive the demand for quality childcare and parental committees contribute greatly in planning and execution.

- **For Employers**

**There is no 'one-size-fits-all' approach to employer-provided childcare.** Firms profiled here illustrate that the business case for employer-supported childcare can vary by sector and location, and that support can be delivered in various ways, from emergency back-up care to high-quality on-site programs. Some leading companies provide more than one type of support, especially when they have offices in multiple locales. **An employee childcare demand survey** (refer to Annexure A) can guide employers in choosing among support options.

**Supporting both mothers' and fathers' childcare needs is critical.** Supporting mothers' childcare needs can crucially facilitate workforce participation, especially by forestalling drop-out after maternity leave. At the same time, encouraging fathers to engage with childcare support can foster family flexibility in childcare responsibility while also augmenting employer gender-diversity benefits. Alternative work arrangements such as part-time or flexible working hours, career by choice, and career breaks may further reinforce benefits derived from employer-provided childcare.

- **For Policy Makers**

**The regulatory environment matters.**

Sri Lanka neither mandates nor subsidizes employer-provided childcare. Global evidence suggests that spending on early education and childcare raises women's work force participation and reduces gender gaps.<sup>55</sup> To these ends, tax credits and other financial support for parents and employers can be useful.<sup>56</sup> Governmental tools supporting employer-provided childcare include capacity building, implementation advice and employer-government collaboration in expanding coverage.

Free pre-primary education can foster early cognitive development and help working parents generate increased incomes. Policies to complement childcare include paid parental leave, pre-maternity and post-maternity return to work benefits, breastfeeding/lactation facilities, and paid breastfeeding breaks.<sup>57</sup> Since governments may benefit from mandating workplace practices that make employing women more costly than employing men, they should consider establishing funding mechanisms for employer assistance.

Policy makers can also help ensure quality control. Vocational training and skills development agencies can devise and enforce standards and regulations and also help establish quality caregiver training and certification on child management, nutrition and health. Governments can also establish technical assistance funding for small and medium enterprises on crèche planning and operations.

- **For Childcare Providers**

**Quality of caregivers, along with their working conditions and benefits, are key.**

Increased demand for childcare can generate significant job opportunities, while boosting labor force integration for established or informal caregivers. With limited availability and growing demand for childcare, there is a need to ensure that quality is not compromised. Care providers – in partnership with the government – play a key role in promoting high-skilled and fairly compensated care jobs. Both private and public sectors will need more providers offering high-standard courses on care giver training and trainer training.

- **For Investors**

**There is an opportunity to invest in the supply side of the market.**

Some Sri Lankan employers keen to offer childcare hold back due to a dearth of quality providers. Investors may therefore find opportunities on the supply side, furnishing capital for providers and entrepreneurs. Investments could support market entry, infrastructure expansion and site rollouts for domestic providers. Reputable international providers might also want to explore Sri Lanka's market.





# Case studies



# Brandix Essentials Ltd

## Brandix Essentials Creche Facility: Focused to Increase the Diversity Ratio



Brandix Essentials Ltd is part of Brandix Lanka Limited. The Brandix Group engages in apparel solutions for brands such as Victoria's Secrets, Gap Inc., M&S, etc. Brandix, a member of IFC's SheWorks partnership in Sri Lanka, is a \$700 million company employing over 35,000 people (of whom 80 percent are women) across 24 locations in Sri Lanka. In addition, Brandix has production facilities in India and Bangladesh with an average of 3000 to 5000 people employed in each of the facilities. Brandix Essentials has four manufacturing facilities in Sri Lanka. The recently built futuristic center in Ratmalana (a suburb in the Colombo District) employs over 242 employees of whom 31 percent are women. A crèche facility was built for employees who are executives and above to strengthen the diversity ratio across the talent pool towards further promoting an inclusive workforce.

Employer-supported childcare can address business challenges such as absenteeism, low productivity and high turnover. For example, maternity return rates in Sri Lanka's garment industry are estimated to be as low as 27 percent (as per a 2018 baseline survey in this sector). The crèche facility at Brandix Essentials, Ratmalana was pioneered by two Brandix employees who became mothers back in 2011; determined to return to work post maternity, they received the company's support to rent an apartment with two nannies in Ratmalana. As the number of children grew over time, the crèche was moved to another location within close proximity to the Brandix office premises. Both fathers and mothers can avail themselves of the childcare benefit. In March 2017, Brandix Essentials created an in-house crèche facility with a focus to increase the diversity ratio for executives and above.

'La Petite Fleur' is the name of the childcare provider at the Ratmalana facility. There are seven staff, which includes four nannies and three teachers. The crèche facility can accommodate 60 children between 4 months and 8 years old and is currently occupied by 30 children. The facility includes specially designed equipment that is child-sized, a play area, and a lactation room. The crèche also benefits from a doctor on call. Opening hours are from 7:45 a.m. to 6:15 p.m. accommodating the shift schedule from 8:00 a.m. In the event a parent is working late, special permission can be granted for a nanny to stay back for longer and be paid overtime. The crèche facility is also extended to other Brandix employees who live close to Ratmalana. A *WhatsApp* Group connects all the parents who are part of the parents' committee who also meet face-to-face on a monthly basis to discuss all matters related to the childcare services. At Ratmalana, parents also have the option of "day drop off" and avail themselves of the crèche as backup care option for parents who are not regular users.

### Employee Profile:

- 31 percent of 242 employees (executives and above) are women (76 women; 166 men)
- 5 percent of 21 Senior Management staff are women (1 woman; 20 men)
- 25 percent of 118 middle management are women (29 women; 89 men)

### Brandix Essentials Ltd supports working parents through:

- On-site childcare center at Ratmalana
- Doctor and nurses serve employees as well as children
- On-site breastfeeding accommodation at the lactation room
- Special nutrition meal provided for expecting mothers
- Facilitation of flexible-work arrangements
- Wellbeing programs as a part of employee engagement
- Educational scholarships for workers' children
- Free transportation to safely shuttle staff back and forth from work
- On-site health clinics, discounted grocery shopping, pregnancy care, childcare, family counseling and funeral benefits, for workers and their families

### Key business impacts of offering childcare support:

- Improved gender diversity ratio across the talent pool
- Increased employee productivity and bottom line benefits
- Strengthened relationships with high-value, international buyers, hence ensuring greater long-term market access and growth opportunities
- Enhanced reputation as "Employer of Choice" in the industry and country

**"Employees are motivated, committed and better focused at work, knowing that their children are safe and only a few steps away from them. This has led to substantial impact on productivity due to reduction in attrition and improvements in product quality."**

**Dilhan Fernando, Deputy General Manager, Brandix Essentials Ltd.**

## Childcare facility at Brandix Visakhapatnam (Vizag), India

In India, the company has over 18,000 employees (82 percent women) and 200 buses bring the workers from their villages around Vizag and drop them back home.

The Vizag facility houses a hospital and a creche where parents can leave their children. The company organizes regular medical camps for communities.

Brandix CEO Ashroff Omar told Sunday Island: "Of the 10,000 people we plan to recruit over the next 12 to 18 months, 8,500 will be women."

Source: Brandix Vizag to jack up production by over 50 percent, to hire 10,000 more workers, The Island, July 2018.

## P.A.C.E. Program with GAP Inc.

Launched in 2007, Gap Inc.'s P.A.C.E. programme is conducted in 16 countries including Bangladesh, Cambodia, China, India, Indonesia, Jordan, Myanmar, Pakistan, Vietnam and Sri Lanka. Research indicates that P.A.C.E. graduates are more productive, have lower rates of absenteeism, and are promoted faster than factory workers who do not participate in the programme.

Beyond workplace development skills, program participants learn basic concepts of family law—such as how to handle divorces and property issues—in sessions conducted after work in a classroom environment. Brandix pays for overtime and transportation costs. Reproductive health topics around abortion, family planning, sexual relations and sexual diseases etc. are also discussed.

Sixty percent of P.A.C.E. participants across the Group have developed skills that have led to promotions. In addition, the respective plant's absentee, turnover and retention rates have all improved.

Source: 161 Brandix female Associates inspired through Gap Inc.'s P.A.C.E. programme. Daily FT, October 2018

**"Gap Inc.'s P.A.C.E. programme has delivered immeasurable value to many of our Associates, contributing significantly to their progression in the work place and in helping them maintain a healthy work-life balance over the years."**

**Anusha Alles, Head of Corporate Social Responsibility, Brandix**

One of the objectives for Brandix is to reduce their hiring and onboarding costs and encourage higher maternity return rates, especially for employees who are responsible for large portfolios and client relations. As an employee is expected to be fully productive after 6 months, childcare support contributes to improved attrition rates. Brandix strives to promote an inclusive work culture that gives people the confidence to realize their full potential, professionally and personally. As part of their diversity and inclusion strategy, Brandix participates in GAP Inc.'s flagship initiative- the P.A.C.E. program- since 2007 to provide female garment workers with life skills, technical training and support.<sup>58</sup>

Efforts to support the childcare needs of their employees in compliance with local and international regulations and standards are enhancing Brandix's reputation as "Employer of Choice" in their respective communities of operation. To date, Brandix has only one childcare facility in Sri Lanka (seen as a pilot project). Brandix is currently exploring how to further expand their employer-supported childcare. The company's investments in childcare are also helping strengthen the relationships with high-value, international buyers, hence ensuring greater long-term market access and growth opportunities.



**"The most pressing HR issue is retaining the workforce. The typical track for a female garment worker is that she'll get a job at a young age, work for a couple of years, save money for her wedding, get married, and then settle down at home and care for the family."<sup>59</sup>**

**Ishan Dantanarayana, Group Chief People Officer, Brandix Group**

# Fairway Holdings (Pvt) Limited

## Investing in Parents through Childcare Benefits



Founded in 2004, Fairway Holdings (Pvt) Ltd is a market leader in luxury residential and commercial high-rise developments. They extended their business acumen to diverse ventures in Leisure, Aviation, Trading, Pharmaceuticals, Financial Services, Bio Technology and Renewable Energy. Their leisure portfolio includes the Fairway Colombo, a 180-room hotel in Colombo Fort, and the recently launched Fairway Sunset in Galle, a hotel with 65 luxury rooms and 19 luxurious serviced apartments. With more than 7 office locations and an average of 9 construction sites, the company employs over 750 employees of whom 24 percent are women. Fairway Holdings follows a business model which focuses on wealth creation for all its stakeholders and sharing wealth with its employees and the community. Fairway Holdings is a member of the IFC-led SheWorks Sri Lanka Partnership.

**“Fairway Crèche’s success is to be attributed to the ‘Crèche Mama’, Kshanika Dharmasena, who has been the crèche manager since inception. Her commitment has made a huge contribution towards the success of the Crèche. “You need to be passionate about children to play the role as a crèche supervisor effectively.”**

**Chinthaka Premaratne, Group HR Director,  
Fairway Holdings**

The decision to establish a crèche was part of the leadership team’s commitment to the company’s diversity and inclusion efforts. The Chairman, Hemaka de Alwis, and his wife, Sundari de Alwis, were personally involved in the crèche project from inception to execution. A committee was formed involving the human resources department, a cross functional business team, and parents to make sure that the best facilities were provided and that every child’s need was handled with the appropriate care. The Group HR Director, Chinthaka Premaratne, also reached out for guidance from other companies who had piloted similar childcare initiatives such as Standard Chartered Bank and WSO2 (both featured in this report), as well as the Child Protection Authority to ensure the facilities and resources adhered to the country’s required safety standards and regulations. The Fairway crèche is managed internally and not outsourced to a third party. It is mandatory for all staff to have undergone a professional training if they are to work at the crèche.

### Employee Profile:

- 24 percent of 750 employees are women
- 32 percent of the Senior Leadership Team (reporting to the CEO) are women
- 22 percent of the new recruits are women
- 30 percent of applications received to fill vacancies are women
- 36 percent of newly promoted employees are women
- 14 percent of female and 11 percent of male employees have children younger than age five

### Fairway Holdings supports working parents through:

- Fairway Crèche which can accommodate 8 children
- Free of cost childcare benefits
- Extended maternity leave on a case by case basis
- Medical support
- Overtime time exemption and flexible working hours

### Key business impacts of providing childcare support:

- Significant improvements in retention of new mothers
- Building a gender diverse organization
- Strengthening the company’s reputation as a family-friendly employer

**“The daily log book plays an important role as it helps me track my daughter’s routine. The log book also encourages her as well as everyone at home. When she took her first steps, the ‘Crèche Mama’ video- recorded it for us and made a note. Though I was not present at this very special moment, at least I could view the first steps later. I cannot imagine sending my daughter to a crèche where there is no such dedicated ‘Crèche Mama’.”**

**Mother of an infant, user of the Fairway Holdings Crèche**



The Fairway Crèche was officially launched on January 18, 2018,<sup>60</sup> at the Head Office which has 750 employees, 24 percent of whom are women. The crèche is open to children of all employees. It can accommodate up to 8 children within the age group of 4 months to 5-year-old and currently has a waiting list. The company has invested approximately 4.5 million rupees and incurs a monthly operational cost of 150,000 rupees. The employees of Fairway receive the childcare benefit free of charge. The crèche facility is staffed with qualified teachers and is equipped with child-friendly furniture, a lactation room and play area. It follows a high allergen-proof health and safety standard in all materials used. A parents' committee convenes monthly to address any challenges. The parents also provide meals, snacks and change of clothes. They log in and out every time they drop and pick-up the child from the crèche. A log book is maintained daily which tracks the child's progress on health, sleeping schedule, meals, diaper change, speech and social traits etc.

**“Compared to my eldest son who grew up with grandparents, my daughter seems to have better social skills, and it has only been a few months since joining the Crèche.”**

**Father of a two-year-old, user of the Fairway Holdings Crèche**

**“Being a part of the organizing committee and knowing my child is going to grow up in the crèche, it was a personal task to work on the interior design of the crèche. The best part was that I was not constrained by a budget, as the company asked me to purchase the best products for the children.”**

**Mother of an infant, user of the Fairway Holdings Crèche**



In addition to childcare support, the company offers various additional services on a case by case basis for nursing, expecting mothers and maternity returns by providing flexible working hours, extended maternity leave, medical benefits, etc. Fairway has experienced a growth in the maternity return rate compared to previous years, which now stands at 100 percent.

Fairway Holdings believes that an on-site company crèche tends to have the greatest perceived value to employees and improves work-life balance as part of their broader corporate objectives of increasing gender diversity. Investing in parents through childcare benefits also leads to building a reputation as a family-friendly employer and thus attracts the best quality of talent in the market.

**“I was thrilled to hear about the Fairway Crèche while I was on maternity leave, as I was actually considering resigning. Fairway Holdings supported me by extending my maternity leave and I returned to work on the same day my daughter joined the Crèche.”**

**Mother of an infant, user of the Fairway Holdings Crèche**





## F. J. & G. de Saram

### Pioneering Daycare as a Concept since 2000

F. J. & G. de Saram, established in 1841 in Colombo, is the oldest and one of the largest law firms in Sri Lanka. It is a full-service law firm providing legal services in all areas of corporate and commercial law to its clientele which includes leading business houses in Sri Lanka and the majority of the transnational corporations engaged in business in Sri Lanka, including Fortune 500 companies and multilateral agencies. The firm is also consistently ranked by many of the global and regional legal directories as a top tier firm in Sri Lanka in the practice areas of capital markets, project finance, banking and mergers and acquisitions.

The legal profession globally is male-dominated. According to a 2013 study of 86 countries (representing 80 percent of the world's population), women began to join the legal profession in significant numbers worldwide in the 2000s.<sup>61</sup> The situation is significantly different in Sri Lanka, where women are said to make up 65 percent among law professionals of the Bar Association of Sri Lanka.<sup>62</sup>

**“Never wait for the organization to create a day care facility. If it’s a business case, it’s in your hands to convince the management, as all it takes is a small space and dedication of the parents to run it.”**

**Shehara Varia, Partner, Founding Parent of the F. J. & G. de Saram crèche**



Founders of the F.J. & G. de Saram Creche Facility

F. J. & G. de Saram has always had women among their workforce, with the first woman lawyer hired in the late 1950s. Today, the law firm has over 100 employees out of whom 64 percent are women. Eighteen years ago, two young attorneys and mothers Ayomi Aluwihare, professional assistant (currently, Precedent Partner), and Shehara Varia, professional assistant (currently, Partner), identified the need to open a daycare facility at the law firm as they wanted to continue their career and fulfill their roles as mothers while being productive at the workplace. The Precedent Partner at the time, Udaya Kadurugamuwa, was open to the suggestion and requested them to submit a business case. At the time, women made up about 68 percent of legal professionals in the firm and the business plan for the crèche was approved with immediate effect with the mothers having taken the ownership of setting up the crèche by themselves.

It all started by converting a room in the office and employing a qualified nursery teacher who is still running the daycare. The crèche caters to children from five months to any age above and is open both to children of male and female professionals working at the firm. Children who are less than two and a half year old are expected to bring their nannies to ensure that all needs are taken care of. The teacher is aware of the necessary skills and knowledge that are required to be imparted for each age group and supports the children with school homework which enables the parents to spend more quality time once they get home. To keep the children engaged, the crèche conducts different activities such as arts and crafts, playtime, celebrations, dance classes, etc.

**“Transport from school to the childcare facility is a critical part for the parents to manage. Thanks to flexible work hours, I can pick up and drop my daughter from school to the daycare, which helps me manage work effectively.”**

**Mother who uses the F. J. & G. de Saram crèche**

The facility is provided free of all costs to the employees who are professionals and can accommodate up to 10 children. Opening hours of the crèche are from 2:00 p.m. to 6:00 p.m. as it is currently catering to school-going children. One of the key challenges faced while running the daycare was the retention of the crèche facility assistants. However, as the children grew older, their needs also evolved, and a call was made not to employ full-time working assistants.

**“The children have grown up together over many years and have built some long-lasting friendships despite moving into different schools.”**

**Mother who uses the F. J. & G. de Saram crèche**

In addition to the daycare facility, the firm provides extended maternity leave, work from home and flexible work hour arrangements upon request. For non-professional staff, there is a separate provision for childcare, at the discretion of finding an external facility on their own. F. J. & G. de Saram has noticed positive business benefits because of their childcare efforts. They have seen a close to 100 percent maternity return rate since the childcare facility was launched and the percentage of women professionals in the firm has remained high. In recognition of its support to working parents, the firm received the “Best Firm in Sri Lanka” award by Asia Women in Business Law Awards in 2011.

**“I have four children and took some time off and I re-joined the company. Thanks to the daycare facility I can focus and perform at my absolute best.”**

**Mother of four children who use the F. J. & G. de Saram crèche**



# Hemas Holdings PLC

## KidZone – A Back-Up Care Arrangement



One of Sri Lanka's fastest growing conglomerates, Hemas Holdings PLC, a member of IFC's SheWorks partnership in Sri Lanka, touches the lives of millions of loyal customers with their wellness, leisure and mobility services. Over a span of nearly seven decades, Hemas has delivered an award-winning range of diversified products and services that continue to help enrich lives, empower businesses, and make a positive contribution to the nation's economic development.

Hemas is committed to improving diversity and providing equal employment opportunities for everyone. Retaining and empowering women leaders is part of the group's overall diversity strategy. Currently, out of 6755 employees, 28 percent are women (inclusive of the hospital staff). However, excluding the hospital staff (where the majority of the staff are women) only 17 percent employees are women. The Group has in place a goal to increase the gender balance to 25 percent by 2020 (excluding hospitals). The Group's strategy to meet these targets includes a variety of corporate policies and programs that include childcare support as part of **360You**, the Group's employer value proposition.

### Sri Lanka's Health Sector

In Sri Lanka's health sector, women make up the vast majority of those employed. They are respected and accepted as doctors, nurses, midwives and support staff. The nursing profession especially is dominated by women, with only about 10 percent of the nurses being male. The establishment recruits trained nurses and also trains new recruits in its own nurses' training school where more than 90 percent of applications in both categories are from women. The explanation for the low representation of men in this profession is that nursing is perceived by both male and female applicants and patients as a "female job". Moreover, male nurses are not considered to be acceptable to tend to women patients.

Source: ILO. *Factors Affecting Women's Labour Force Participation in Sri Lanka*. 2016.  
[https://www.ilo.org/wcmsp5/groups/public/--asia/--ro-bangkok/--ilo-colombo/documents/publication/wcms\\_551675.pdf](https://www.ilo.org/wcmsp5/groups/public/--asia/--ro-bangkok/--ilo-colombo/documents/publication/wcms_551675.pdf)

#### Employee Profile:

- Total employees: 6755
- 28 percent of Hemas employees are women (excluding Hemas Hospitals: 17 percent are women)
- 68 percent of employees in Hemas Hospitals are women
- 13 percent of Board of Management members are women

#### Hemas supports working parents through:

- KidZone, a back-up childcare arrangement
- MumZone for lactating mothers
- MedZone for all employees
- Paid Maternity Leave (100 days), Paternity Leave (10 days) and Adoption Leave (same as the maternity and paternity benefits for a child under 1 year, and half the benefit for a child between 1 and 5 years)
- Flexible Work Solutions (such as flex-time and part-time working arrangements)

#### Key business impacts of offering childcare support:

- Contributing to the broader strategy of being a diverse and inclusive company
- Gender diversity ratio at Hemas Hospitals has increased from 65 percent (2017) to 68 percent (2018)
- Building a company reputation as a family-friendly employer
- Supporting recruitment and retention strategies

**“At Hemas we have been making concerted efforts to become a more attractive workplace for women. Interestingly, some of the policy changes made and facilities provided make us a better workplace for men too. As an example, when we introduced an enhanced maternity leave scheme, we also introduced paternity leave and adoption leave. The KidZone hosts children whose mother or father works at Hemas. As a new mom myself, access to the MomZone has improved my working experience, especially when compared with working moms who do not have access to a sanitary space to express milk for their infants.”**

**Upulka Samarakoon Munasinha, Head of Human Resources, Hemas Holdings PLC**



## Voice of Women (VOW) Hemas Women's Network

Hemas celebrated 2017 International Women's Day by launching *Voice of Women*, a women's network with representation across all business units and grades. The objective of this network is to support the attraction, retention and advancement of women at all levels within the Group. The network collaborates with both men and women by encouraging employees to be conscious of gender bias in their daily decisions and actions.

VOW identified top three challenges through focus group discussions held across the Group, namely childcare, maternity leave and transport after office hours. Together with the human resources department and management, respective policies were implemented:

- Back-up care facility (as a pilot in the head office)
- Lactation room
- Enhanced maternity leave (from 84 to 100 days), with a further option of 10 working days at half-pay and 10 more working days at no pay
- Paternity leave (10 working days)
- Adoption leave (same as the maternity and paternity benefits for a child under 1 year, and half the benefit for a child between 1 and 5 years)
- Companies within the Group provide reimbursement of cab transport for employees who work late hours, to avoid difficulties associated with using public transport at night.

These efforts have resulted in a more inclusive environment that benefits all employees.

A back-up care arrangement was set up as a pilot initiative at the Hemas House (headquarters of the Group) with a specially designed space for children that can accommodate up to 10 children aged 3 to 12 years old. This age group is considered to be one that can be managed by the parent without supervision by additional staff (such as a crèche supervisor or nannies). This allows parents to "hot desk" from one of the adjoining work stations and have a peace of mind that their children are safe and occupied. This space is not meant to replace regular childcare arrangements but was designed as an option to be used when regular childcare arrangements fail, as they occasionally do. The facility also provides a MumZone for lactating mothers and a MedZone for all employees who are feeling unwell or need to rest during the work day.

Moving forward, Hemas recognizes that its effort to retain working parents is going to be a game changer and the pilot KidZone will help further determine their employees' future demand for other childcare services in other business units and locations. The business benefits extend beyond the comparably small number of employees who directly use back-up care. The KidZone provides access to the talent pool Hemas wants to recruit and retain which also contributes to the broader strategy of being a diverse and inclusive employer.

The Group is also considering collecting more comprehensive gender disaggregated data on the success of its existing back-up care facilities, including data on employee satisfaction and retention, and use this data to further strengthen the case for childcare support. In a regional analysis of diversity in the workplace published by Cornerstone Partners LLP in the UK, 2017, Hemas was ranked amongst the top 10 most diversity-friendly corporate institutes in Asia.<sup>63</sup> Hemas is on a quest to build a strong employer brand associated with diversity and inclusion in addition to other areas of a holistic employee experience like wellness.





“Providing a suitable environment for our employees to pursue excellence in their careers whilst balancing their roles as parents is important to Hemas. When in need or in an emergency, our employees have the option of bringing their child to work and keeping an eye on them whilst continuing to work. This gives them greater peace of mind because both work and parental responsibilities can be fulfilled simultaneously.”

Dimuth De Alwis, Group Human Resource Director, Hemas Holding PLC

## The First National Center of Excellence for Children with Disabilities: AYATI

Ayati Trust Sri Lanka is a charitable trust incorporated by the University of Kelaniya, a state university in Sri Lanka, Hemas Holdings and MAS Holdings.

Disability includes mental and physical disabilities. Children with disabilities have individual, innate strengths and talents through which they can contribute positively to society. It is with this understanding that Ayati (meaning 'Hope' in Sanskrit) was set up, to help improve children's quality of life and independence, while also providing them with opportunities to develop and blossom into their full potential. This will help these children become included into mainstream society and have a significantly positive impact on their lives, their families and society at large.

Ayati is a long-term national initiative which has three main aims:

- Constructing and operating a national centre for children with disabilities
- Changing the mindset of the public to eliminate any stigma and promote acceptance of children with disabilities
- Extending similar services to the rural areas of Sri Lanka in time to come

Source: [www.ayati.lk](http://www.ayati.lk)

## On a Journey to Fostering an Inclusive Work Culture

Founded in 1996 and headquartered in Colombo, former MillenniumIT now rebranded as LSEG Technology, was acquired by the London Stock Exchange Group (LSEG) in October 2009. Known as one of the largest technology companies in Sri Lanka, the organization employs over 500 professionals of whom over 20 percent are women. The company's 22-acre campus in Malabe was established in 2008 with state-of-the-art facilities, including a gym, swimming pool, crèche, a cricket ground, and a cafe. The vision for this campus facility was to recruit and retain the best talent and create an inclusive culture that is different to that of a traditional office setup. LSEG Technology is a member of the IFC-led SheWorks Sri Lanka Partnership.

LSEG Technology operates in a highly dynamic and disruptive work environment and believes a diverse and inclusive workforce will boost financial performance, innovation and staff motivation. The company is determined to practice an inclusive work culture which enables and values the contribution of all employees regardless of gender, age, race, disability or sexual orientation and to foster an environment where everyone feels they belong.

**“We are on a journey to focus more on inclusion than diversity, as it is important to create an environment where every employee can voice their opinion and feel they belong here. This journey is possible with the support of the line managers as only they can bring out the best in every team member. If we get that right, the numbers will start speaking.”**

**Bani Chandrasena, Head of Human Resources, LSEG Technology**

Providing childcare benefits has been part of the offering from the inception of the organization, but it became part of the overall LSEG Sri Lanka's formal diversity and inclusion strategy in the last 2 years with a scalable solution across all the business entities within the country. The organization understood that parenthood is often a point when companies lose experienced employees (mostly women) and decided to provide a creche to increase the balance between work and raising a family, a progressive move in the industry at the time. Initially the crèche was run by a few nannies until the number of children grew significantly and the company decided to outsource it to a professional third-party vendor, CeeBees Pre-school and Childcare Centre, in 2013.

### Employee Profile:

- 23 percent of 550 employees are women (126 women; 423 men)
- 20 percent of 11 Senior Management staff are women (2 women; 9 men)
- 15 percent of 220 Middle Management staff are women (33 women; 187 men)

### LSEG Technology supports working parents through:

- Crèche support, including during late working hours
- 90-day paid maternity leave
- 3-day paternity leave
- Extended maternity leave up to 9 months on no salary basis
- Designate lactation room and doctor on call
- Flexible working hours and work-from-home options

### Key business impacts of offering childcare support:

- High retention of new mothers and parents
- Key building block for diversity and inclusion strategy

The crèche, which is located at the aforementioned campus premises, can accommodate up to 30 children from 4 months to 12 years of age. Currently it is occupied by 20 children. There are two types of care: one for infants aged up to 18 months, and the other is general care which focuses on early childhood development. The crèche is managed by one supervisor, two teachers and six nannies. The facility also houses a lactation room, play area, sandpit, child-sized amenities, and a doctor on call. The crèche fee is subsidized for the parents employed at LSEG. Those working at other Sri Lanka locations such as in Maradana and Bamabalapitiya are given an option to use this Malabe Crèche or any of the other CeeBees facilities at the same subsidized rate. Among the existing crèche users, 20 percent are fathers and 80 percent are mothers.

**“If I did not have access to a crèche facility, I would give up on a career as I don't have support at home.”**

**Mother of a two-year-old, LSEG Technology**

Serving in the IT sector can be challenging as a significant number of clients are based across the globe in different time zones which can translate to late night and early morning engagements with clients. The operating hours for the crèche are from 9:00 a.m. to 6:00 p.m. Accommodating childcare beyond these regular working hours was initially a challenge. However, overtime the crèche staff adapted a healthy routine to cater to this additional requirement by customized requests made directly to CeeBees' head teacher when required. Every year, the crèche contract with CeeBees is presented for renewal and the crèche management treats this as an opportunity to review and benchmark their own services and modify or improve their offering. Any challenges parents face are addressed by CeeBees directly. In the unexpected event that an issue needs to be escalated to the company management, employees utilize an internal portal to communicate and have monthly follow-up meetings with the management to resolve any issues.

### CeeBees Pre-school and Childcare Centre

Fazeela Dharmaratne, a banker by background and Founder and Directress of CeeBees Pre-school and Childcare Centre, established her first preschool and day-care in 2013. It was a small home-based operation with only four or five children, but it was a start. It provided her with the opportunity to get to know the childcare business from the ground up. MillenniumIT at the time was her first corporate crèche operation, upon which she established herself. She currently manages other corporate crèche operations with MAS Kreedaa and WSO2 in Colombo.<sup>54</sup> CeeBees has evolved over the years and has been modifying the curriculum to address children's educational needs across all age groups.

Providing childcare was the first step to ensure that women remain in the company. The second step was to build leadership and prepare them to take on additional diversity and inclusion responsibilities. Programs such as mentorship, leadership and development as well as the women's network (namely Women-inspired Network) contributed towards achieving a higher maternity return rate and retention numbers. LSEG globally has a target of achieving 40 percent gender diversity by 2020, and Sri Lanka's offices are working towards achieving 30 percent by 2020 (from the existing 22 percent in 2018). Conscious efforts and policies have been put in place to work towards this ambitious target. Line managers are trained to be aware of unconscious bias during performance evaluation processes and at exit interviews. They are encouraged to have honest conversations with their team members. Every interview panel must have a woman, with a target of at least one woman's resume to be forwarded for vacancies.



**“Being a single mum, I have to juggle my responsibilities at work, family and personal commitments. It's not always easy. A crèche at work and the flexibility to work from home when necessary means that I do not have to compromise one set of commitments for the other.”**

**Mother who is employed since 2008, LSEG Technology**

In the last five years, the proportion of women among new graduate recruits at the Malabe campus has steadily increased from 20 percent to 35 percent. While the company's childcare support was not solely responsible for this achievement, it is viewed as an essential component of the company's strategy to recruit and retain women. Replacing an employee is costly. Although there are no IT industry-specific estimates for Sri Lanka, the costs of replacing an engineer is estimated at a minimum of eight months salary. In addition to the costs of the recruitment process, there is an opportunity cost for the employee to become productive, and the time invested by colleagues, supervisors, and managers during the recruitment and orientation process. Hence, cost savings as a result of childcare support can be significant. Having employees who are fully focused on their work rather than worried about their children also enhances performance, including for those in the team who do not have children. This can result in higher productivity, though it is difficult to quantify.

The company has evolved over the years and found a cost-effective way of providing such support in a manner that reflects LSEG's values and its goal of being a truly diverse company.

**“I have watched my daughter grow and benefit from the daycare environment, including its quality instruction. I can confidently say it has smoothed her transition to kindergarten and gives me the strength to focus on my career as well.”**

**Mother of a four-year-old, LSEG Technology**

“My son’s speech was delayed until the age of two. I am thrilled with his progress since joining the crèche. All credit goes to the crèche’s curriculum which includes activities such as songs, storytelling, and memory games etc. Being the only child, he is also willing to share, play, and learn well together.”

Father of a two-year-old son, LSEG Technology





# MAS Holdings MAS Kreeda, Vaanavil

Providing Childcare Support to Parents in the Conflict-affected Northern Province



## Work and Culture in the Northern Province

MAS Kreeda is a sportswear manufacturing unit of MAS Holdings (Pvt) Ltd, an IFC client company and member of both IFC's SheWorks Sri Lanka partnership and IFC's Global Tackling Childcare Partnership.<sup>65</sup> MAS Holdings manages a portfolio of businesses with an annual revenue of USD 1.8 bn and is also one of the largest design-to-delivery solutions providers in the apparel and textile manufacturing industry in South Asia. Headquartered in Sri Lanka, with 53 manufacturing facilities across 16 countries and design facilities in key locations across the globe, the company produces for brands like Calvin Klein, Marks & Spencer, Nike and Victoria's Secret. MAS Holdings employs more than 99,000 employees (70 percent female) globally, and close to 76,000 employees in Sri Lanka (66 percent female). This case study focuses primarily on MAS Holdings' MAS Kreeda, 'Vaanavil' location which opened in Kilinochchi on May 4, 2012, to provide employment opportunities particularly for youth and women in the conflict-affected Northern Province of the country.

In May 2012, MAS Holdings - MAS Kreeda, opened a new factory named "Vaanavil" with nearly 450 employees. 90 percent of MAS Holdings - MAS Kreeda, Vaanavil employees were women from Kilinochchi. "Most of the female workers in the age group of 18 to 30 years who are working here have been affected by the ethnic conflict."

"Some of the women workers are the sole earners and have started to rebuild their lives. They have started to construct their own houses and help their family members."

Source: 2014 interview with Ms. Shyamali Liyanage, Manager of Human Resources and Administration at MAS Holdings - MAS Kreeda, Vaanavil factory.

<http://www.thediplomaticsociety.co.za/archive/archive/853-mas-holdings-changing-lives-in-post-conflict-killinochchi>

**"My mother is unwell, and I do not have anyone else to take care of my daughter. I would often stay at home when there were unforeseen emergencies and had decided to resign as I was struggling to strike a work-life balance. Now with Chittukkal and the provided transport facilities, it is so much easier. I rarely use my leave."**

**Mother, user of Chittukkal childcare center, MAS Kreeda, Vaanavil**

### Employee Profile:

- 79 percent of 1812 employees are women (1427 Women; 385 Men)
- 4 percent are widows, 18 percent are FHH, 18 percent are single mothers
- 79 percent of women (238) and 21 percent of men (64) have children under the age six

### MAS Kreeda, Vaanavil supports working parents through:

- On-site childcare center "Chittukkal"
- Subsidized childcare support (parents pay only Rs. 750 per month per child)
- Free transportation for workers and children
- Free uniforms for the workforce and children at the crèche
- Doctor and nurses available to serve employees as well as children
- On-site breastfeeding accommodation at the medical center
- Two hours of break for breastfeeding mothers
- Flexible working hours for nursing mothers who can come a hour late or leave a hour early
- Training on 'Dignity of Motherhood' and 'Wings of Motherhood' programs
- Subsidized meals for the workforce
- Corporate-wide "Women Go Beyond" initiative to support women at all levels to balance the multiple roles women play in the community and at work

### Key business impacts of offering childcare support:

- Recruitment and retention of female employees in a region with a culture of low maternal employment and many single mothers living in vulnerable communities
- Low turnover among parents of children at crèche (1.3%) compared to overall turnover (49%)
- Improved workforce stability in the form of reduced absenteeism and improved retention, supporting high and error-free production
- Reinforced reputation as "Employer of Choice" within the local community
- Strengthened relationships with high-value and international buyers, hence ensuring greater long-term market access and growth opportunities

In 2009, 26 years of civil war in Sri Lanka (much of which was fought in the Northern and Eastern Provinces of the country) came to an end. Many women in the war-affected regions had to deal with multiple long-term impacts of the violent conflict such as injuries, loss of lives and property, lack of income sources and livelihood activities, multiple displacements, and trauma. Various reports estimate that over 500,000 people were internally and externally displaced, and that the civil war resulted in a significant number of war widows and female heads of households (FHH).<sup>66</sup> According to the Department of Census and Statistics of Sri Lanka, in 2012, approximately 1.2 million households, or 23.5 percent of households in Sri Lanka, were headed by women, of which approximately 58,000 female heads of households live in the Northern Province.<sup>67</sup>

In 2017, only 26.6 percent of women participated in the labor force in Kilinochchi, the main town of the Northern Province, compared to 35 percent of women at the national level (and compared to 73.4 percent of men at the national level).<sup>68</sup> According to the 2014 - 2017 study conducted by the International Centre for Ethnic Studies (ICES), 59 percent of FHH are employed, whereas only 39 percent of women in male-headed households (MHH) are employed. These are not always sustainable sources of income, with many households relying on income transfers and remittances from relatives (including from those living abroad).<sup>69</sup> The ICES study finds that for households that are receiving transfers, transfer payments account for 38 percent of total household income for female-headed households, whereas they account for only 15 percent of total household income in male-headed households.<sup>70</sup> Women in the Northern Province also experience a high level of unemployment: 15 percent of women are unemployed, compared to 4.1 percent of men. This compares to an overall unemployment rate of 4.2 percent for the country.<sup>71</sup>



For women, especially single mothers who want to enter and stay in the workforce, the lack of a robust, affordable childcare infrastructure can present a major barrier to formal employment.<sup>72</sup> Parents interviewed for this case study said that childcare arrangements in villages typically do not exist. They rely on family, mostly the grandparents, for childcare support. For women who have lost spouses and family members due to the war, single mothers and female heads of households, childcare centers can be a significant enabler to enter the workforce, provided there are employment opportunities.

**“Childcare can be such a pain point for working parents. Therefore, at Kreedaa we have pioneered childcare at both office and factory levels to support working parents to continue to chase their dreams. Not only is this a relief personally for parents, but there is a clear business case justifying childcare support by the employer.”**

**Eranthi Premaratne, Director Sustainable Business Practices, MAS Holdings**

#### MAS Holdings Business Context for Supporting Childcare

According to Sri Lanka's Export Development Board, "Sri Lanka is a socially responsible and preferred destination for apparel sourcing and is the only outsourced apparel manufacturing country in Asia to ratify all 27 ILO (International Labour Organization) conventions. A guiding force behind this commitment to Ethical Business and Manufacturing is the homegrown Garments Without Guilt code which exceeds leading industry compliances." The apparel industry provides direct employment opportunities to over 300,000 and 600,000 indirectly.

Source: <http://www.srilankabusiness.com/apparel/> accessed September 5, 2018

Sri Lanka's apparel export industry is a significant contributor to the Sri Lankan economy and Sri Lanka's primary foreign exchange earner accounting for more than 40 percent of total exports and 52 percent of industrial products exports.<sup>73</sup> In 2017, Sri Lanka's garment and textile exports exceeded USD 5 billion.<sup>74</sup>

The apparel industry provides direct employment opportunities to over 300,000 and 600,000 indirectly.<sup>75</sup> The industry is entirely privately owned. Labor is in increasingly short supply in Sri Lanka's garment sector, where over 70 percent of workers are women,<sup>76</sup> and companies across the sector having noted that they need greater access to skilled labor.<sup>77</sup>

The company's hallmark women's empowerment program, MAS Women Go Beyond (WGB), currently in its fourteenth year, is a primary pillar that contributes to the business objectives of the company. The program promotes knowledge, awareness, leadership skills, attitudinal changes and female employees' ability to achieve a well-rounded and holistic life-experience. Women's empowerment is an integral part of MAS Holdings' business strategy. Among others, MAS also aims to achieve 50 percent gender diversity in all management categories by 2025. This initiative goes hand in hand with the company's childcare offering to facilitate the employment and retention of women employees at all levels.

MAS Holdings provides childcare facilities at 10 of its Strategic Business Units (SBU) across Sri Lanka, India and Jordan. While most of these facilities are open to MAS employees, some also serve the surrounding communities. More than 430 children benefit from these 10 facilities, 250 of them being children of MAS employees. This has proven effective in supporting over 90 employees in managing their work-life balance.



**“Facilitating and creating opportunities for healthy work-life balance is one of the key pillars of the corporate-wide Women-Go-Beyond program which continues to make a significantly positive difference in the lives of our female associates. Providing access to reliable, affordable and good quality childcare addresses one of the major concerns of most parents engaged in or seeking active employment. The ‘Chittukkal’ childcare facility in Vaanavil has proven to be a successful model in fulfilling this need.”**

**Shanaaz Preena, Director Women Go Beyond / Women's Advocacy, MAS Holdings**

## Summary of Childcare Facilities and Community Schools Provided by MAS

	MAS Active Trading (Pvt) Ltd	MAS Holdings - MAS Kreedda (Community Center)	MAS Active Trading (Pvt) Ltd	MAS Active Trading (Pvt) Ltd	MAS Holdings - MAS Intimates Unichela	MAS Holdings - MAS Intimates Slimtex	MAS Holdings - MAS Intimates MDS	MAS Holdings - MAS Kreedda Al Safi - Madaba	MAS Holdings - MAS Intimates Linea Fashions
Location	Colombo, Sri Lanka	Kilinochchi, Sri Lanka	Katunayake BOI Zone, Sri Lanka	Biyagama, Sri Lanka	Panadura, Sri Lanka	Kullyapitiya, Sri Lanka	Ratmalana, Sri Lanka	Jordan	India
Type of facility	Exclusive on-site facility	Community Programme	Shared model in the BOI Zone	Not on-site. First priority given to MAS. Only pre-school facility	Not on-site. Exclusive to MAS. Both day care and pre-school facility	Not on-site. Not exclusive to MAS. Both day care and pre-school facility	Not on-site. Not exclusive to MAS. Both day care and pre-school facility	Exclusive on-site facility	Exclusive on-site facility. No preschool facility
Year Established	2016	2016	2016	2013	2015	2018	2017	2016	2003
Capacity	24	20	80	48	70	30	30	38	30 per shift
Occupancy	10	15	50	46	63	19	11	38	20 (10 per shift)
Age Group	3 months and above	2 ½ years - 6 years	2 - 5 years	3- 5 years	1-13 years	3 months - 12 years	1.8 years - 12 years	3 months - 5 years	6 months- 5 years
Times	7:50 am - 7:50 pm	7:30 am - 12:30 pm	7:00 am - 7:00 pm	8:30 am - 11:30 pm		5:30 am - 10:00 pm		7:00 am - 5:00 pm	5:45 am - 10:40 pm
On-site/ Shared facility	On-site		Shared	Off-site	Shared	Shared	Shared	On-site	On-site
Subsidized/free of charge	Subsidized	Free of charge	Subsidized	Free of charge	Subsidized	Subsidized	Subsidized	Free of charge	Free of charge
Facilities provided	Free transport, education, playground, breast feeding areas	Education	Education, breast feeding, on-site basic health care, play ground	Library, Counseling Facility, a Kiddies Park, Community Awareness Initiatives, Workshops	Preschool education, childcare and basic health care	Preschool education, childcare and basic health care	Preschool education, childcare and basic health care	Free transport, education, playground, breast feeding areas, on-site basic health care	Day-care facility and basic healthcare



## MAS Holdings – MAS Kreeda, Vaanavil Childcare Center: Chittukkal

USAID and Green Movement of Sri Lanka (GMSL) partnered with MAS Holdings – MAS Kreeda, Vaanavil (“Vaanavil” meaning “rainbow”) in this employer-supported childcare initiative and named the childcare center “Chittukkal” which stands for “tiny tots”. They trained the childcare provider for over a year and financially supported the childcare center’s staff salaries (including those of the supervisor and of two teachers). The purpose of this childcare initiative was to take care of the welfare of all employees (both male and female employees benefit) and to provide employment opportunities to single mothers and parents who were living in vulnerable communities. The company’s on-site childcare center provides quality childcare, in addition to a space for breastfeeding mothers at the medical center at a subsidized rate of only Rs. 750. Workers also benefit from free transportation with their children to and from the facility.

Chittukkal officially opened on October 16, 2014. The center served 36 children and 35 mothers and employed three teachers and one caregiver. Initially, none of the working fathers enrolled their children in the center. As demand increased for slots, the company today has a waiting list, serving 30 children of a total of 29 mothers and 1 father. Chittukkal employs three qualified caretakers who conduct a pre-school curriculum, engaging children in age-appropriate learning and playing activities. Depending on their age, children learn the alphabet and/or take part in basic skill development exercises. The teachers and parents have received feedback that the Chittukkal children have outstanding education attainments, team and social skills when they enter school. The center has three classrooms. Children are not allowed in the factory and the center does have an outdoor space with a fenced-in playground. The hours of the center mirror those of the factory, with care provided from 7:00 a.m. to 5:30 p.m. five days a week year-round. Uniform sets for children are provided twice a year. Individual mats, pillows, towels, cups and dishes are provided for each child. Employees travel long hours to get to work, hence the company ensures meals are provided for the children. Meals are prepared in-house by the canteen which adheres to the Nike global standards. There is a parents’ committee that convenes monthly, which also plans the food menu. All pregnant staff are provided an ‘orange scarf’ so they can receive preferential attention on the factory floor which includes additional breaks and free extra meals.

**“We want to contribute to our communities and will continue to explore ways to engage with them, by sustaining the local workforce.”**

**Ajay Amalean, Co-founder and Managing Director, MAS Holdings**

In 2012, MAS’ people and sustainability practices were commended both globally and locally. The company’s Women’s Empowerment Programme (Women Go Beyond) was declared winner of the Women’s Empowerment Corporate Leader 2012 award by The New Economy;

- MAS was honored at Asia’s Best CSR Practices Awards in Singapore.
- HR practices were recognized with MAS Intimates winning Gold at the National HR Awards and two awards at The World HRD Congress in Singapore for Asia’s Best HR Practices in HR Strategy and Excellence in Training.

Source:

[https://www.unglobalcompact.org/system/attachments/20777/original/MAS\\_Holdings\\_COP\\_2012.pdf?1362812145](https://www.unglobalcompact.org/system/attachments/20777/original/MAS_Holdings_COP_2012.pdf?1362812145)

In 2017, MAS Women Go Beyond contributed and featured in a brief on Private Sector Action for Women’s Health & Empowerment titled “How Business Can Invest in Women and Realize Returns” in collaboration with the Universal Access Project of United Nations Foundation.

Source:

<https://www.privatesectoractionforwomenshealth.com/>

In 2018, MAS’ Women Go Beyond featured in a discussion paper- “Better Leadership Better World: Women Leading for the Global Goals” by Business & Sustainable Development Commission demonstrating that women not only serve to be the beneficiaries of the Global Goals, but they are also helping to lead their achievement.

Source:

<http://s3.amazonaws.com/aws-bsdc/Women-Rising-2030-Better-Leadership-Better-World.pdf>

The childcare center currently serves children of age 2.5 years to 6 years. Thus, the childcare facility has not had a significant impact on the company’s maternity return rates as mothers who want to return to work after their 84 days of maternity leave will have to identify other childcare solutions for the period when the child is about 3 months old until 2.5 years of age when employer-supported childcare picks-up. Once the child turns 2.5 years, the company is keen to re-employ the mothers by accommodating the child in the childcare center. The management is exploring additional policies to increase its maternity return rates. When a mother requires additional leave at the end of her maternity leave period, the factory grants up to 1 ½ months of additional leave.

MAS also opened a community Montessori in Kilinochchi in 2016. MAS Kreeda manages the operation while the government runs it as a pre-school. MAS Kreeda hopes to convert this into a full-time childcare facility in the future. This was a project funded by MAS and MAS’s supplier Avery Dennison.

## Conclusion

Chittukkal is contributing to improved workforce stability in the form of reduced absenteeism and improved retention, supporting high and error-free production. It is reinforcing the company's reputation within the local community and country as a leading employer in the garment industry. In Vaanavil, there has been a notable reduction in labour turnover among parents using the childcare facility. While the annual turnover for the factory is 49 percent, the figure is 1.3 percent for parents using the childcare facility. In addition, MAS Kreeda – Vaanavil has strengthened the company's relationship with its international buyers, securing access to an important market and supporting its strategic business objectives and plans for future growth.

When the childcare facility was set up, the factory was not running at full capacity. Now that childcare is available, the number of parents leaving due to lack of childcare has decreased. While it was difficult to conduct a cost-benefit analysis for Chittukkal's current set up, the estimated ROI is 4 months of operational cost for MAS Kreeda.

Given its positive impact on workers and the business, the MAS Holdings – MAS Kreeda, Vaanavil childcare facility has been identified as a model for potential replication in other factories. MAS Kreeda has plans to set up childcare facilities in factories located in Mahiyangana and Mihintale in the near future.





Selyn Exporters (Pvt) Ltd engages the traditional Sri Lankan community of handloom weavers in producing fashion items and accessories, home products, toys and fabrics and was founded in 1991 by Sandra Wanduragala. Sri Lanka's only fair-trade guaranteed handloom company started working with 15 women in the village of Wanduragala (close to Kurunegala, the capital city of Sri Lanka's North Western Province) and has since grown into a network of around 1000 workers (90 percent women<sup>78</sup>) across the island. To date, Selyn exports its fair-trade products to 40 countries around the world<sup>79</sup> and at the same time retails in premium locations across the country.

To be able to meet the export demand for its products, Selyn has established independent workshops in handloom villages in the rural outskirts of the Northwestern, Eastern and Southern Provinces of Sri Lanka in an attempt to move away from a centralized model to one where artisans can reach within the comfort of their own homes. In addition, they have a 200-strong homemaker model, which allows women to work from home or work part-time at the factories. Selyn currently owns 6 factories including a state of the art dye facility. They operate as a social enterprise and hope to not only empower the artisans financially, but to also create a way of life within which they are comfortable.

Today Sri Lanka's traditional handloom industry faces a decline due to various reasons ranging from the lack of skilled workers, uncompetitive market prices, outdated designs, and a lack of infrastructure and technology. Selyn is committed to revive Sri Lanka's heritage and to extent the business benefits to rural women and men. To tackle its human resources challenges, the company has three different ways of working with people:

- Selyn directly employs 350 employees (95 percent women), who work in Selyn's four handloom factories, its dye plant, and its toy factory.
- Selyn has an independent workshop model where clusters of people work together. These are typically groups of 5 to 35-40 people who are working together. These are mostly weaving and stitching units.
- Selyn also has a 200-strong home worker model where women work in their homes to produce (non-weaving) items. This model has increasing popularity among women who look for flexibility as they face various challenges to come to work. The model also includes the possibility to work part-time at the Selyn factories.

Creating an enabling environment for women to access and stay at work is an integral part of Selyn's work ethic. For example, Sri Lanka's official school times/schedule is not very conducive for parents who want to also pursue a fulltime job and career. Selyn starts its hours of operations at 8:00 a.m. so that parents can drop their child to school and come to work. This enables them to work part-time in the factories as well as benefit from the homemaker model. The employees work until 12 noon and pick up their child. Facilities such as a breast-feeding room and a doctor on call are also available at the factory. Furthermore, they provide childcare or day care facilities at some of their village-based workshops where culturally women (especially young mothers) do not typically work outside their homes and alternative childcare facilities are non-existent or expensive. This is also an essential component of Selyn's recruitment and retention strategy as Selyn is particularly keen and aware that it needs to attract younger artisans/workers to join the trade in order to maintain a sustainable business model.

Kumbukgette, the company's largest weaving village, has over 35 weavers. Here Selyn introduced a daycare center in 2013 for children from the ages of 3-5 years old. In 2018, to cater to school going children of 6 to 8 years, Selyn also developed a concept named "Kids Club" in addition to the daycare center. The "Kids Club" was launched to enable weavers' children to come to the factory after school. Today, both facilities are occupied by 10 children. There is a qualified teacher who supports the children with educational activities and afterschool homework. Parents undergo an orientation program for themselves prior to enrolling their child(ren) with both facilities, which helps them understand the safety guidelines, early childhood education and other skills that will be taught. The costs of running the facilities (at Rs 4000/per child/month respectively) are fully borne by the Selyn Foundation.<sup>80</sup> Selyn hopes to extend this service to children up to 18 years as they see that older children too, especially young girls, would benefit from being close to their parents during and after school hours.

Selyn found that their childcare strategy and support has been paying off. Their employees were worried about informal care arrangements for their children during working hours as younger children are often left with relatives (mostly grandparents) which is common but can be unreliable and, in some cases, unsafe. In addition to benefiting the community and well-being of local children, Selyn sees a clear business rationale for the day care center and Kids Club as it has resulted in reduced absenteeism, increased staff productivity and retention of skilled workers (specifically female workers with children), and lower staff turnover costs.



Sandra Wanduragala, Attorney-at-Law, the founder of Selyn, is a renowned lawyer in Kurunegala by profession and the challenges she faced growing up made her realize the importance of access to jobs and finance for women. Selyn is Sri Lanka's only fair-trade guaranteed company and supplies to fair-trade and commercial customers all over the world. Among Ms. Wanduragala many accolades are the National Chamber of Exporters (NCE) Export Award for Best Women Exporter from 2000 to 2006, the Indira Gandhi Priyadharshini Award presented by the Federation of Indian Women Entrepreneurs in 2003 and the 2014 Asia Pacific Award for Woman Entrepreneur of the Year. Most recently in 2018 she was welcomed to the prestigious Ernst & Young Entrepreneurial Winning Women global network. Her daughter, Selyna Peiris, Attorney-at-Law, who is at present Director of Business Development at Selyn, will succeed her.

In addition to childcare support, Selyn found ways to further enhance their “employer of choice” brand. For people working at Selyn’s village centers, the company provides bicycles for easier commute. In addition, health camps, life skills, leadership and entrepreneurship development programs are offered. The life skills programs range from how to deal with pertinent social issues such as domestic abuse, alcoholism, women’s health and balancing work with their personal lives. The leadership and entrepreneurship programs are specifically designed for selected leaders and include sessions on business skills. Selyn also provides its workers free legal advice, financial management programs, access to finance and voluntary savings schemes, the latter being delivered in partnership with SANASA Development Bank (SDB), an IFC client company and SheWorks Sri Lanka member.<sup>81</sup> Selyn’s management is particularly focused on increasing the satisfaction and productivity of its employees while giving back to the community. The company has positioned itself as an employer of choice for working parents (not only from rural communities) and acts as a role model for other mid-sized companies.





For Standard Chartered Bank (SC), a member of IFC's SheWorks partnership in Sri Lanka, providing childcare support and measures to improve employee work-life balance is part of SC's broader corporate objectives of increasing gender parity in the workplace. Childcare support is weaved into their strategy through the Diversity and Inclusion agenda and commitment to retain, develop and promote talent, irrespective of gender or parental status. Having childcare support is also a way of letting women know that one can continue their banking career whilst celebrating the life-event of being a mother. Currently, 48 percent of SC's entire workforce in Sri Lanka are women. SC also takes pride in reporting 54 percent participation of women in its Country Leadership Team and almost 30 percent representation of women in the Country Management Team. These are positive results that SC has achieved whilst being an equal opportunity employer and placing emphasis on promoting and developing women in leadership roles.

In 2008, SC introduced a crèche facility 'Kidkare' to all its employees and was one of the pioneers in the industry. The facility is located in the heart of Colombo and currently accommodates up to 30 children from the age of 6 months to 11 years. 'Kidkare' operates with an external childcare provider and supports the business working hours from Monday to Friday from 7:30 a.m. to 6:00 p.m. The facility provides adequate care in terms of hygiene, preparation of home cooked meals and security during operational hours. The food menu is prepared by the crèche supervisor in consultation with a nutritionist to provide healthy and balanced meals for children. Both children and employees of 'Kidkare' are also covered by a medical insurance scheme provided by SC. 'Kidkare' offers early childhood education and quality care under the supervision of a qualified Montessori teacher. Once the children come after school they are supported in completing their homework. Special events are organized by the crèche during the holiday months with outings and excursions for the children.

Initially, the employer-supported crèche was received by its employees with some caution, as it was a cultural shift for parents to trust the concept of a childcare facility in comparison to grandparents and nannies taking care of the child. Following the success of SC Sri Lanka's initiative, several other SC locations globally have followed and established their own crèche facilities using the lessons-learned from SC Sri Lanka.

### Employee Profile:

- 48 percent of SC's workforce are women
- 54 percent of the Country Leadership Team are women
- Over 43 percent of the recruitments in 2018 were women
- Over 40 percent of the bank's promotions in 2018 were women

### The Bank supports working parents through:

- 'Kidkare' which caters to approximately 30 children, from 6 months to 11 years old
- 20 weeks of paid maternity leave
- Two calendar weeks of paternity and adoption leave
- Flexible working arrangements
- Medical insurance coverage of children

### Key business impacts of offering childcare support:

- Supporting retention of new mothers
- Creating a "Great Place to Work"
- Branding as an "Employer of Choice"
- Important building block for the Bank's gender diversity strategy

**“Standard Chartered is an equal opportunity employer and our true success has been the result of the strong platform we have created to drive a diverse and inclusive culture in the workplace. The Women's Network and our Diversity and Inclusion Council enable us to do this. We are an employer of choice and are leading the way in the market by providing benefits that enable an environment conducive for working parents, especially mothers. These include flexible work arrangements, working from home, parental leave for mothers and fathers, adoption leave, the crèche facility and a comprehensive framework in managing workplace harassment.”**

**Ransi Dharmasiriwardhana, Head of Human Resources, Standard Chartered Bank Sri Lanka**

SC meets two thirds of the crèche's operational costs whilst the parents pay a monthly nominal fee. The investment is justified with SC's maternity return rate at 100 percent and parents claiming they are at ease and can better concentrate during work knowing that their children are well taken care of. SC takes pride in a zero percent attrition of mother's resigning to care for their children. This is predominantly due to the crèche facility, flexible working arrangements and other enhanced benefits offered to parents. SC claims that one of their key successes of the 'Kidkare' functioning seamlessly is their crèche supervisor and her ability to manage the bank's protocol, parents and their children.

More recently Standard Chartered Bank Sri Lanka enhanced its existing policy on maternity leave to offer 20 calendar weeks of maternity leave, exceeding the legal requirement of 84 working days whilst fathers enjoy paternity leave of up to two calendar weeks. Parents who chose to adopt are also eligible to avail themselves of two calendar weeks adoption leave. SC provides nursing intervals in line with the labor law requirements. In addition, SC offers "flexible working" to support employees to meet the demands of their personal lives, without impacting their careers. Further, SC launched its first Women's Network "W3: Women Win @ Work" in 2016. This initiative promotes networking, professional and personal development of women in the bank.

**"I was the first to utilize the 20 weeks of maternity leave which gave me the confidence of getting back to work especially after having my third child, who is also currently at the crèche." My husband always says, 'never quit your job, as we prefer 'Kidkare' to a domestic maid or nanny, because our children tend to enjoy being around other children.' Over the years they have become more independent, sociable and good at sharing."**

**Mother of three children who uses the 'Kidkare' facility at Standard Chartered Bank Sri Lanka**



# Unilever Sri Lanka Limited

## Diversity: a Commitment at the Heart of Unilever's Business



Unilever Sri Lanka (USL) is one of the biggest Fast-Moving Consumer Goods (FMCG) companies in Sri Lanka, with 29 market leading brands in categories such as Home Care, Personal Care and Foods. Established in 1938 with brands such as Sunlight, Lux and Pears, today Unilever Sri Lanka manufactures 95 percent of its products locally. Building a gender-balanced organization with an inclusive work culture is a strategic priority for Unilever as it believes that a more diverse and inclusive workforce can boost financial performance, reputation, innovation, and staff motivation. Globally over 70 percent of the people who buy Unilever products are women. For Unilever (including in Sri Lanka), mirroring the consumer base in the workforce supports the company in anticipating consumers' needs.

Unilever Sri Lanka is committed to help employees find their own purpose in life and embraces the diversity in every individual which in turn drives superior engagement and performance of employees. The performance driven culture is reflected in a 100 percent maternity return rate. Women who return from 6 months of maternity leave are provided with equal opportunities for job expansions, promotions, or job rotations.

To reach its global ambitious target of a 50 percent gender balanced senior management workforce by 2020, Unilever has put in place a pro-active gender diversity program that includes accountability, clear targets and global scorecards for all regions; mentoring programs; women's networks; recruitment strategies with special focus on management trainees and mid-career recruits. Globally, Unilever offers a range of policies to support employees' work-life needs, including 6 months maternity leave, 21-days paternity leave, flexible working, and agile working programs among others. Unilever has introduced a Maternity and Paternity Support (MAPS) online system to facilitate caring transitions for employees and their managers.



### Employee Profile:

- Unilever Sri Lanka employs over 400 employees out of whom 100 (or 25 percent) are women
- 38 percent of women are Senior Managers and above
- 60 percent of 2018 new hires are women - there is a policy in place to have a balanced slate in recruitment by having an equal number of male and female candidates for new positions
- Unilever Sri Lanka's first ever woman factory manager was appointed to Unilever Agarapathana Tea Factory in 2018

### Unilever Sri Lanka supports working parents through:

- 6 months paid maternity leave
- 3 weeks paid paternity leave
- Adoption leave: same maternity and paternity leave benefits are applicable
- Fully fledged crèche with CCTV facility enabling parents to monitor their children from their work stations
- Agile working: working from home, flexible work timings, working agile from another location/country etc.
- Maternity and paternity support (MAPS) an online tool that facilitates caring transitions for employees and their managers
- Lounge facility for women staff in the factory
- Specially designed comfortable uniforms and shoes for women and men factory staff
- Pregnant women who are performing a sales job in the field are given office-based jobs for their comfort
- The management is committed to a gender balanced senior management by 2020

### Key business impacts of offering childcare support:

- Childcare is an important building block for improving gender diversity and the advancement of women into leadership positions
- Savings of hiring and onboarding costs as a result of higher maternity return rates (close to 100 percent) especially for employees who are responsible for large portfolios and client relations
- #1 Employer of Choice (Nielsen) for six consecutive years and winner of "Best Private Sector Organization for Gender Equality" by Sri Lanka's Women in Management in 2015



The employer-supported onsite crèche at Unilever's head office in Colombo was named "USL Pears Happy Baby Tiny Tots Centre". In establishing the crèche, Unilever partnered with their very own brand Pears, which is the oldest baby care brand in Sri Lanka. The crèche was established in 2014 and extends its childcare services to both children of mothers and fathers. It is custom built with the best in class facility and aesthetics which can accommodate up to 25 children from the age group of 6 months to 7 years. The facility provides an in-house doctor and nurse, a play area and lactation room. Safety is a part of the DNA of Unilever; mock evacuation drills are conducted with children. A closed-circuit television (CCTV) camera monitors the crèche, and live stream is accessible to all parents via their workstations. There is a pre-school program and many engaging activities are conducted on a regular basis. Extracurricular activities include elocution, painting, junior chef every Thursdays, arts and crafts, celebrations of all festivals etc.

**"Apart from providing the best in class facility, the success factor of the Crèche is to have a passionate vendor/supervisor who not only needs to take care of the children with love and care, but who also builds a good relationship with the parents."**

**Nadee Hemachandra, Head of Workplace Services, Unilever Sri Lanka Limited**

The crèche is outsourced to a third party, which gives the parents the option to use the crèche outside of Unilever premises over weekends at a special rate. It is open from 7:00 am to 7:00 pm for the convenience of all parents to attend to their work commitments. Parents also have the option of sharing the night meal with their children which can be fed before the pick-up of the child. There are two shifts provided by the third-party service provider and the team consists of a head mistress, teachers and care givers. The crèche is supported by a Parents Committee which provides inputs for improvements of the crèche and governance.

### **'Pears Safe Hands' commitment to maternal and child health facilities in the country**

In addition to its employer-supported childcare, Unilever Sri Lanka also promotes children's well-being as part of its brands with purpose program. For example, Unilever's 'Pears Safe Hands Fund' has renovated maternity, childcare wards and lactation management centers in 19 hospitals across the country and is committed to continue this until this facility is available with adequate standards in every government hospital in the country.

Unilever Sri Lanka embraces celebrations of diversity through various campaigns including celebrating motherhood, celebrating fatherhood, International Women's Day, Children's Day etc. Unilever has been the #1 Employer of Choice (Nielsen) for six consecutive years. Unilever won the "Best Private Sector Organization for Gender Equality" by Sri Lanka's Women in Management in 2015.

### **Empowering Rural Women under Unilever's Sustainable Living Plan Pillar**

Currently in its 15th year, Project Saubhagya is Unilever Sri Lanka's key initiative under its Unilever Sustainable Living Plan pillar which provides 'opportunities for women' and has emerged as a symbol of women's empowerment in the country's rural areas. This initiative partners with rural women and gives them the opportunity to become direct-to-home ambassadors of Unilever brands thereby empowering them to become entrepreneurs and being guaranteed a regular and sustainable income. Initiated in 2003 with 5 brave women entrepreneurs who took the first step towards economic inclusion, the program now engages over 5,000 Saubhagya (prosperity) entrepreneurs. There is an ambition to grow the network of women entrepreneurs to 14,000, representing the 14,000 Grama Niladari (village offices) divisions of Sri Lanka. Going beyond, Unilever Sri Lanka also assists these women entrepreneurs with the education of their children through the Saubhagya Scholarships Program. Unilever Sri Lanka recognizes the top 100 performers of Project Saubhagya at its annual Diriya Pranama Awards.

Source: Daily FT. Unilever Sri Lanka's 'Gamata Api' initiative empowers rural communities (October 29, 2016) and 'Saubhagya marks 15 years of empowering rural women' (June 12, 2018)





## Offering Childcare not only Makes Business Sense but is also Common Sense

WSO2, an IT company with offices in Australia, Brazil, Sri Lanka, the UK and US, is a pioneer in middleware applications, a software that connects other software components to create a seamless workflow for business operations. From its inception 13 years ago with initial funding from Intel Capital, the investment arm of chip manufacturer Intel, WSO2 has evolved into a key Silicon Valley player. Their applications for eBay are most famous for the power to process over one billion transactions per day. WSO2 employs over 600 engineers, consultants and professionals worldwide. WSO2's Sri Lanka workforce is more than 500 people strong, 35 percent of whom are women. In 2013, WSO2 Sri Lanka built modern office premises, featuring recreational areas, an in-house gym, snooze room and a space to think out of the box.

**“We are hiring people with sufficient experience and maturities that I can trust to do a good job, and I don't care what time they work or where they're working from.”**

**Dr. Sanjiva Weerawarana, Founder and Chairman of WSO2**

WSO2 operates in a highly competitive labor market. WSO2 is member of the Sri Lanka Association for Software and Services Companies (SLASSCOM), which has 189 companies as members with an estimated workforce of 35,000 to 40,000 employees accounting for over 90 percent of export revenue in IT. Attracting and retaining talent is one of the key challenges in the IT sector. To improve their attractiveness to potential employees and increase retention rates, the company offers a range of benefits for work-life balance with childcare support, flexible working hours and work-from-home alternatives. Their employees view the flexibility to work when and where they see fit as a key benefit. WSO2 further offers flexible work practices that enable its employees to manage their life balances, both at home and work.

**“Being able to make a change in our employees' lives and supporting their career by providing a service to take care of their children is very rewarding in itself.”**

**Maryam Cader, Associate Director HR, WSO2**

### Employee Profile:

- 35 percent of the 618 employees are women
- 33 percent of 15 senior management are women
- 19 percent of 115 middle management are women
- 53 percent of parents have children younger than two-years-old

### WSO2 supports working parents through:

- Access to WSO2's childcare facility at subsidized rates
- Extended no pay maternity leave
- 10 days paid paternity leave
- Flexible working arrangements

### Key business impacts of offering childcare supports:

- Enhanced recruitment and retention strategies
- Competitive edge in the market

Dr. Sanjiva Weerawarana, Founder and Chairman of WSO2, was passionate and determined to set-up a crèche facility despite facing space constraints at WSO2's main office located in downtown Colombo, Sri Lanka's capital. To encourage parents who may face challenges with returning back to work, the WSO2 crèche facility opened in 2014 and can accommodate 5 children between the ages of 4 months to 2 years. The facility further provides a nursing room. The childcare benefit is extended by WSO2 to both mothers and fathers at a subsidized rate. WSO2 holds a 100 percent maternity return rate. This can translate into a potentially significant business benefit for WSO2 as replacing an employee is costly. Although there are no IT industry-specific estimates for Sri Lanka, the costs of replacing a professional employee is estimated at a minimum of nine months' salary (including the costs of the recruitment process, the time it takes for the new employee to be fully productive, and the time spent by colleagues, supervisors, and managers during the recruitment and familiarization process).

**“At WSO2 the question was not whether to offer childcare: in a working environment where there are many parents, it only makes common sense to offer such support. But we wanted to offer childcare support in a manner that sets us apart from our competitors”.**

**Dr. Sanjiva Weerawarana, Founder and Chairman of WSO2**

The crèche facility is managed by CeeBees Pre-School and Childcare Center which delivers a fully-fledged early childhood curriculum and childcare facilities. The crèche facility is open on working days from 8:30 a.m. to 5:30 p.m. To date, CeeBees operates a total of two childcare centers and three corporate crèches in Colombo. Post 2 years of age, WSO2 employee parents can enroll their child(ren) in any one of the available Ceebees Preschool and Daycare centers.

**“The trust factor is the most important aspect of providing quality childcare.”**

**Fazeela Dharmaratne, Directress of CeeBees Pre-School and Childcare Center**

WSO2 communicates the childcare offering as part of the company’s commitment to retain, develop, and promote the best staff, irrespective of gender or parental status. WSO2, which has a waiting list of 5, is looking to expand the crèche facility as a part of their expansion plan soon.

**“I am pregnant with my second child and knowing that I have flexible work options, supportive colleagues and progressive career opportunities give me the confidence to perform at my absolute best.”**

**Mother who uses the WSO2 Crèche**



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# Annexures

# Annex A: Sample Employee Childcare-Demand Survey

The following sample questionnaire<sup>82</sup>, developed for the forthcoming joint IFC and Bright Horizons Tackling Childcare in India report, may help employers explore employee demand for employer-supported childcare.

## Introduction

X COMPANY is conducting a demand-survey for its staff (female and male) in X OFFICES to identify the current and future needs employees may have for childcare. Nearly all questions are optional. There are only a few that require an answer, and these are marked with an asterisk (\*). Thank you for your interest in this important work.

### Time to Complete the Survey

Less than 5 minutes for respondents without childcare responsibilities.

About 5 minutes for respondents with children under 13.

This survey is completely anonymous.

No names or individual identifiers are associated with your responses.

### Any Questions?

If you have questions about the survey, please contact NAME, IDEALLY OUTSIDE HR

### Your gender?

- Male
- Female

### \* Please select your primary work location.

- Office Location 1
- Office Location 2

### Your age?

- 20 years or younger
- 21 - 25 years
- 26 - 30 years
- 31 - 35 years
- 41 - 45 years
- 46 - 50 years
- 51 - 55 years
- 56 - 60 years
- Over 60 Years

### Where is your home located (to be used for commute purposes)?

- Colombo 01
- Colombo 02
- Colombo 03
- Colombo 04
- Colombo 05
- Colombo 06
- Colombo 07
- Colombo 08
- Colombo 09
- Colombo 10
- Colombo 11
- Colombo 12
- Colombo 13
- Colombo 14
- Colombo 15
- Pita Kotte
- Ethul Kotte
- Nawala
- Nugegoda
- Rajagiriya

82 Based on methodology developed by Bright Horizons.

1. \* What best describes your current childcare arrangements?

Your only Child	Your 2nd Youngest Child	Your 3rd Youngest Child
Child's Age: ____	Child's Age: ____	Child's Age: ____
<b>Does this child live in your home?</b>	<b>Does this child live in your home?</b>	<b>Does this child live in your home?</b>
<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Primary type of care:</b>	<b>Primary type of care:</b>	<b>Primary type of care:</b>
<input type="checkbox"/> Your spouse/partner <input type="checkbox"/> Your parent or in-laws <input type="checkbox"/> Other family member <input type="checkbox"/> Childcare center/crèche <input type="checkbox"/> A nanny (in your home) <input type="checkbox"/> Domestic help <input type="checkbox"/> Family childcare home, play home (a non-family member in their home) <input type="checkbox"/> Primary school or any before/after school program <input type="checkbox"/> Child cares for self <input type="checkbox"/> Other	<input type="checkbox"/> Your spouse/partner <input type="checkbox"/> Your parent or in-laws <input type="checkbox"/> Other family member <input type="checkbox"/> Childcare center/crèche <input type="checkbox"/> A nanny (in your home) <input type="checkbox"/> Domestic help <input type="checkbox"/> Family childcare home, play home (a non-family member in their home) <input type="checkbox"/> Primary school or any before/after school program <input type="checkbox"/> Child cares for self <input type="checkbox"/> Other	<input type="checkbox"/> Your spouse/partner <input type="checkbox"/> Your parent or in-laws <input type="checkbox"/> Other family member <input type="checkbox"/> Childcare center/crèche <input type="checkbox"/> A nanny (in your home) <input type="checkbox"/> Domestic help <input type="checkbox"/> Family childcare home, play home (a non-family member in their home) <input type="checkbox"/> Primary school or any before/after school program <input type="checkbox"/> Child cares for self <input type="checkbox"/> Other
<b>Do you pay for this child's care?</b>	<b>Do you pay for this child's care?</b>	<b>Do you pay for this child's care?</b>
<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

2. \* What best describes your current childcare arrangements?

	No Difficulty	Some Difficulty	Major Difficulty	No Applicable
<b>Care for Infants</b> (Only future parents and parents) of infants)				
Finding available childcare	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Finding conveniently located childcare	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Finding a caregiver with a safe/secure environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Finding a caregiver, I can trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Securing care that meets my quality standards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Securing care that meets my educational standards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Affording my preferred childcare arrangement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Care for 1 – 2-year olds</b> (Only parents of 1 – 2-year olds)				
Finding available childcare	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



	No Difficulty	Some Difficulty	Major Difficulty	No Applicable
Finding conveniently located childcare	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Finding a caregiver with a safe/secure environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Finding a caregiver, I can trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Securing care that meets my quality standards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Securing care that meets my educational standards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Affording my preferred childcare arrangement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Care for 3 – 5-year olds</b> (Only parents of 3-5 year olds)				
Finding available childcare	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Finding conveniently located childcare	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Finding a caregiver with a safe/secure environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Finding a caregiver, I can trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Securing care that meets my quality standards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Securing care that meets my educational standards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transporting my child to my preferred care arrangement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Affording my preferred childcare arrangement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Getting in to my preferred child arrangement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Care for 6-12-year olds</b> (Only parents of 6-12 year olds)				
Securing childcare during school holidays	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Securing childcare during summer vacations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transporting my child to and from their school	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Affording my child's school	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Getting into my preferred school	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Additional Childcare Services</b>				
Securing care when my child is ill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Scheduling Difficulties</b>				
Securing childcare that meets my work schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Securing childcare for evening work hours	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Securing childcare that will accommodate my changing schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (write here):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**3. In the past year, have challenges with your child care arrangements caused you to:**

Finding conveniently located childcare	<input type="checkbox"/> Yes <input type="checkbox"/> No
Seriously consider taking a long-term leave of absence from [organization]	<input type="checkbox"/> Yes <input type="checkbox"/> No
Be unable to pursue/accept a higher position?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Be unable to meet job/performance expectations?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Experience stress that negatively affects your work?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Leave work early or arrive late (based on your regular schedule)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Miss work/ because your regular child care provider was not available? If yes, how many times in the last six months?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Miss work because your child was sick? If yes, how many times in the last six months?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Miss work because your child's school was closed? If yes, how many times in the last six months?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

**4. a. If you are planning to add to your family in the next three years, do you plan to return to work after you or your spouse/partner have or adopt a child?**

- Yes
- Uncertain
- No

**4. b. How much of an impact would the following support services have on your decision to return to work after the birth?**

	Significant Impact	Moderate Impact	No Impact
A workplace childcare crèche for children (infants through Upper Kindergarten)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Emergency back-up care for children (infants through Upper Kindergarten)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A gradual return to work schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(Only women) A private lactation room	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Return to work support/consultation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A temporary work from home schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Flexi-work options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. How do you feel a workplace childcare crèche would impact [organization] in the following areas?

	Very Positively	Somewhat Positively	Not at all	Somewhat Negatively	Very Negatively
Recruitment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Retention	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Morale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Teamwork	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your Performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Attendance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community Image	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. What are your current childcare costs per child and how much would you be willing to pay for reliable childcare per child/month?

Current costs	Willingness to pay for reliable childcare
<input type="checkbox"/> Less than 5,000 rupees	<input type="checkbox"/> Less than 5,000 rupees
<input type="checkbox"/> 5,000 - 10,000 rupees	<input type="checkbox"/> 5,000 - 10,000 rupees
<input type="checkbox"/> 10,000 - 20,000 rupees	<input type="checkbox"/> 10,000 - 20,000 rupees
<input type="checkbox"/> 20,000 - 30,000 rupees	<input type="checkbox"/> 20,000 - 30,000 rupees
<input type="checkbox"/> Other -	<input type="checkbox"/> Other -

7. Which days of the week do you (or would you) typically need childcare? (Check all that apply)

- Monday
- Tuesday
- Wednesday
- Thursday
- Friday
- Weekends

8. What are the typical hours you need childcare Monday - Friday?

Start: \_\_\_\_ a.m./p.m.

End: \_\_\_\_ a.m./p.m.

9. \* How likely would you be to enroll each of your child(ren) UNDER 6 YEARS in a creche near the office?

	Very Likely	Somewhat Likely	Not Likely
Future child (Expecting in the next 1-3 Years)			
Future child (Currently Expecting)			
Child age			
Child age			
Child age			

10. How many hours would you typically need childcare for each of your children? (Check one answer for each child.)

	Full Time: 5 days/week	Reduced Time 3-4 days/week	Part Time: 1-2 days/week
Future Child (Currently Expecting)			
Child age			
Child age			
Child age			

11. What facilities would you look for in a childcare/creche?

- Brand
- Cleanliness
- Safe location/surroundings
- Recommendations from parents/caregiver
- Qualified/competent staff
- Activities for children
- Early childhood development curriculum/approach

12. Which would you use?

- Childcare facility for exclusive use of ORGANIZATION staff located in or near ORGANIZATION office
- Childcare center shared by ORGANIZATION staff and other organizations in or near ORGANIZATION's office
- Priority slot in day care center near ORGANIZATION office
- On-site emergency care when your regular care option is not available
- Drop in care for short periods, for example staff traveling for business
- After school care program



13. \* If you are “not likely” to use a crèche close by the office, why would you not use it?

- Prefer the childcare I have now
- Prefer childcare closer to home
- Do not want to commute with my child
- Associated costs
- My spouse/partner or other family member would have some pick-up/drop-off responsibilities
- and location is too inconvenient for him/her
- Other (please specify) -

14. What would be most useful for ORGANIZATION NAME to support?

- Creche
- Flexi-work
- Emergency childcare
- Other -

Thank you for your input.

There are no guarantees any of the programs discussed in this survey will be developed.

However, your response will assist us in the effort to study this important issue.

## Annex B: Select Childcare Service Providers in Sri Lanka

*The information contained in this Annex is provided only as general information, which may be incomplete or outdated. It does not imply IFC's endorsement or support of any of the linked information, services, products, or providers.*

The following childcare providers have been mentioned in the 10 case studies featured in this report:

### **Ceebees Preschool & Daycare:**

Ceebees offers children a play-based "Learning through Play" curriculum, which supports all aspects of their learning and development, and meets requirements of the Early Years Foundation Stage Curriculum. Balanced meals are prepared in-house by consulting a nutritionist. To date, Ceebees operates a total of two childcare centers in Colombo 3 and 7 and three corporate crèches (MAS, LSEG and WSO2) in Colombo.

### **Hummingbirds Learning Centre:**

Hummingbirds Learning Center follows the early development curriculum and is run by a passionate and qualified staff. It operates based out of Nugegoda and also manages the corporate crèche for Unilever.

### **La Petite Fleur (LPFA):**

LPFA focuses on quality toddler and early childhood education. Located in Dehiwala, Ratmalana and Galle it counts over 300 students. It serves a young child community (18-36 months), pre-school community (2.5 to 5 years), elementary and primary community (5.5 to 12 years), early youth community (12-15 years) and older youth (15-18 years), and offers special needs education.

To date LPFA operates as a corporate crèche for Brandix Essentials, Ratmalana.

# Annex C: List of Select Early Childhood Development Courses in Sri Lanka

The care profession, known to boost women’s labor force participation, can offer promising employment opportunities and careers. The following section highlights a number of available resources that might be useful for those who are considering setting-up a crèche or wanting to pursue employment in the sector. The available career options vary from being a registrant, center manager, teacher, childcare assistant and volunteers. The below course list was compiled based on the experiences of the childcare providers featured in this report’s case studies. In alphabetical order, it includes the following:

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## AMI Good Shepherd Maria Montessori Training Centre:

Situated at St. Bridget's Convent, the legacy to carry on the Montessori training was handed over to the Good Shepherd Sisters by Dr. Maria Montessori herself in 1944. This is the only authorized AMI Montessori Training Centre in Sri Lanka, affiliated to the Association Montessori Internationale in Amsterdam in the Netherlands. The program consists of a two-year course at the end of which the successful candidates are offered an internationally recognized Diploma from the Association Montessori Internationale in the Netherlands.

Name of the Course	Target Audience	Duration	Pre-requisites
Montessori Training Centre - St. Bridget's Convent <sup>83</sup>	Teachers or aspiring teachers	2 years	GCE Advanced Level Certificate

## Ladies’ College Institute of Professional Studies (LCIPS):

LCIPS, formerly known as the Department of Vocational Studies, was established in 1981 by the late Mrs. Sirancee Gunawardana, former Principal of Ladies’ College. The following courses are offered:<sup>84</sup>

Name of the Course	Target Audience	Duration	Pre-requisites
Diploma in Preschool and Sub Primary Education	Teachers, aspiring teachers and caregivers	12 months	GCE Ordinary Level with 6 or more passes including Mathematics and English. Minimum 18 years.
Certificate Course in Early Childhood Education	Caregivers	5 months	Ability to speak in English.

83 About Montessori Training Centre - St. Bridget's Convent <http://www.amisbc.lk/>

84 Sunday Times, 2010. Early Childhood Education and Certificate in Conversational Tamil.

## Mother's Touch International Academy (MTIA):

The academy was established in the year 2006 and is served by a system that blends early childhood education and children's care. MTIA offers the following Early Childhood Education qualifications in Sri Lanka:<sup>85</sup>

Name of the Course	Target Audience	Duration	Pre-requisites
Foundation Certificate in Children's Service		6 months	GCE Ordinary Level
Diploma in Early Childhood Development & Education	Preschool teacher	15 months	3 GCE Advanced Level passes or MTIA Foundation Certificate in Children's Services
Diploma in Childcare Management	Either to work in a daycare or open your own daycare center	15 months	3 GCE Advanced Level passes or MTIA Foundation Certificate in Children's Services
Diploma in Special Needs Teaching	Anyone who is willing to work in an environment with children who have special needs such as down syndrome, autism, learning difficulties, ADHD etc.	12 months	3 GCE Advanced Level passes or MTIA Foundation Certificate in Children's Services

85 <https://mtia.motherstouchlk.com/course/>



## Open University of Sri Lanka:

The Department of Early Childhood and Primary Education of the Open University of Sri Lanka (OUSL), established in year 1999, offers the following programs:

Name of the Course	Target Audience	Duration	Pre-requisites
Diploma in Early Childhood Education and Primary Education	Teachers/Caregivers	Minimum of 2 years	18 years or above and successfully completed the Advanced Certificate in Pre-School Education Program conducted by the Open University of Sri Lanka, or at least 3 passes at the GCE Advanced Level Examination and 6 passes in GCE Ordinary Level Examination with Language and Mathematics, or Minimum of 54 credits in courses offered at any foundation Levels 1 and 2 (offered by OUSL), or Diploma in Teaching offered by the National Colleges of Education, or Teacher Training Certificate awarded by the Teacher Training Colleges.  Applicants who wish to follow the Program in English medium should possess at least a credit pass (before 2001) or "B" pass (from 2001) for English Language in the GCE Ordinary Level Examination.
Certificate in Pre-school Education		Minimum of 1 year	Above 18 years of age and should have passed the GCE Ordinary Level Examination (6 subjects including First Language and Mathematics, and 'B' pass for English Language if they wish to complete the program in the English Medium).
Advanced Certificate in Pre-school Education	Teachers/Caregivers	1 year	Applicants should be 18 years or over on the closing date of applications. Successful completion of the Certificate in Pre-school Education programme conducted by the OUSL.

The department coordinates activities of the three model pre-schools situated in the three Regional Centres of the OUSL: the daycare center at Colombo (Nawala), the Regional Centre, and the Child Study Centre. There are five permanent academic staff and the Department benefits from the services of a large number of visiting academics to conduct day schools, mark assignments and assess practical courses of the teacher training programs.<sup>86</sup>

## The Lyceum Academy for Teacher Education:

The Lyceum Academy for Teacher Education was established in the year 2004 to provide professional training opportunities for teachers in the private sector in English.<sup>87</sup>

Name of the Course	Target Audience	Duration	Pre-requisites
Diploma in Primary School Teaching Programme	Teachers	12 months	GCE Ordinary Level Examination with "C" pass in English and GCE Advanced Level Examination with two subjects.
Diploma in Early Childhood Development Education Programme	Teachers/caregivers	12 months	GCE Ordinary Level Examination with "C" pass in English.

The National Child Protection Authority (NCPA) and the Prime Minister's Office drafted a comprehensive **National Guidelines for Child Day Care Centers in Sri Lanka**. Summarizing the guidelines for the below roles in a daycare center:<sup>88</sup>

Roles in a daycare center	Minimum requirement at the daycare center	NVQ <sup>89</sup> Level	Minimum Experience (in years)	Minimum Age	Other requirements
Center Manager	At least one for a daycare center	6	At least 5 years of experience working with children	30	Females are considered more suitable for this role. Priority should be given to those who have worked in the capacity of an Assistant Center Manager
Assistant Center Manager	At least one for every 15 children	4	At least 2 years of experience working with children	27	Priority should be given to those who have worked in the capacity of a Childcare Assistant
Childcare Assistant	-	4	-	18	-
Volunteer	A maximum of 20% of the entire workforce at the daycare center may consist of volunteers at any given time	-	-	18	Must be under the direct supervision (within sight and sound) of a child caregiver who is a permanent staff member at the Center
Domestic Helpers	Support in managing the domestic activities of the daycare center	-	-	18	Must never be involved in the provision of childcare for children at the Centre. Must be screened for suitability to work at the daycare center by the Center Manager prior to recruitment. Must be provided with necessary guidance on communicating appropriately with children

Roles in a daycare center	Minimum requirement at the daycare center	NVQ <sup>89</sup> Level	Minimum Experience (in years)	Minimum Age	Other requirements
Peer Support	-	-	-	-	The Registrant should arrange monthly meetings among all staff members to discuss any issues pertaining at the daycare center. Development Officer <sup>90</sup> in charge should arrange biannual meetings for all child caregivers at the daycare centers within the province to discuss any concerns, support or improvements required.

87 About the Lyceum Academy for Teacher Education <http://lyceumteachersacademy.org/#>

88 National Guidelines for Child Day Care Centers in Sri Lanka. 2016.

89 National Vocational Qualifications (NVQ). NVQ 4 is currently available and are delivered through accredited institutions while NVQ 5 and 6 are expected to be made available within 2 years following the introduction of the Guidelines.

90 'Development Officer – (Child Care; DO-CC)' are individuals attached to Provincial Department of Probation and Child Care Services to monitor and develop child day care centers, coordinate with relevant government organizations. National Guidelines for Child Day Care Centers in Sri Lanka.

## Annex D: Financial Schemes Available for Children, Parents and Childcare Providers

Most of the companies featured in this report rely on the services of a third-party childcare provider. Increasing investments in childcare can result in more reliable and quality services for both private and public-sector companies. Financial institutions may want to consider exploring how to finance childcare providers as micro entrepreneurs or SMEs. Investors can also explore how to support employers with their respective financial needs. The below table provides information on some of the existing financial schemes for parents and children in Sri Lanka.

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Banks/Financial Institutions	Products for Children	Products for Women	Products for Childcare Provider
Hatton National Bank PLC	HNB Singithi Lama, Children's Saving Scheme: a savings account for newborn to 12-year-old children which can be created with a minimum deposit of Rs. 500	-	Gami Pubuduwa scheme: a micro finance product for the small and micro industries entrepreneur's where manufacturing or service industries can be financed up to Rs. 75 million under at an interest rate of 8% per annum
National Development Bank PLC	NDB Shilpa Children's Savings Account: an attractive savings plan for newborns to 18-years-old which can be created with a minimum deposit of Rs. 500. Also provides different activities on health and education.  NDB Children's Savings Planner: a savings plan for children from 2-18-years-old.	Araliya Savings Account: a Women's savings account which also supports women who want to further develop their skills, health and knowledge whilst giving strength, security and confidence to realize aspirations in their journey of life. The account also provides medical and life coverage for the account holder as well as her immediate family members. NDB also conducts various workshops for women providing non-financial services such as grooming sessions and financial management workshops via Araliya.	-
SANASA Development Bank PLC	Lakdaru: Children's Savings Account to support the fast-paced development of children below the age of 18-years-old.	SDB Uththamavi: a savings account that provides a financial solution package for personal and business needs providing convenience, efficiency, personal and family security to women in Sri Lanka.	SME Plus: a loan scheme which allows micro-entrepreneurs or anyone who wants to be one in future, a provision of credit facilities and support services for expansion of business up to Rs. 300 million with an interest rate of 5-10 percent
Standard Chartered Bank	My dream account: A savings account for children upto 15 years of age can be created with a minimum deposit of Rs. 5000		



# Annex E: World Bank Group, Women, Business and Law - Sri Lanka Overview

## I. Leave policies

Two Acts were passed in 2018 enhancing maternity benefits for female employees; the 2018 Maternity Benefits (Amendment) Act, No. 15 of 2018] and the 2018 Shop and Office Employees (Regulation of Employment and Remuneration) (Amendment) Act, No. 14. The changes were effective from 18th June 2018.

**Section 3 of the 1939 Maternity Benefits Ordinance was amended in 2018 by Section 2 of the Amendment Act<sup>91</sup> to extend maternity leave granted to all female employees for every child.** Maternity leave benefits before June 2018 for a third or subsequent child was limited to six weeks of paid maternity leave (including any holidays). From 18th of June 2018, every birth entitles a female employee to twelve weeks (84 days) of paid maternity leave, excluding any other holiday or leave for which the female employee is entitled to under any other law or regulation. There is no provision in law regarding extension of maternity leave in case of complications or sickness due to giving birth or in the case of multiple births.

**Section 18(B) of the 1954 Shop and Office Employees Act was amended in 2018<sup>92</sup> and also extended maternity leave granted to female employees in shops and offices after the birth of a second child, as defined by the Act.** According to Sec.1 of Shop and Office Employees Act, the Minister may by Order declare that the provisions of this Act shall apply:

- (a) to shops or to offices in such area or areas as may be specified in the Order, or
- (b) to all shops or offices in Sri Lanka.

Previously, a female employee was entitled to forty-two working days of maternity leave for a third or subsequent child (including any holidays). This provision was amended in 2018 to grant women eighty-four working days for giving birth to any child.

## II. The Government's Commitment to Improve Early Childhood Care

In recent years the government of Sri Lanka has shown its commitment to improve childcare services. On October 17th 2017, the Prime Minister, in his capacity as the Minister of National Policies and Economic Affairs, proposed "to appoint a Committee comprising of the representatives of the Government, the Provincial Councils and the Private Sector to study the further expansion and enhancement of the child daycare facilities in Sri Lanka, identifying the problems pertaining to the field"<sup>93</sup>. The proposal was approved by the Cabinet of Ministers.

Measures have been taken to assist families to meet the need for childcare services by providing programs that support access and affordability of childcare centers. The Cabinet of Ministers on July 31, 2018 decided to improve daycare services by establishing infrastructure for financial support. The Cabinet approved a proposal "to create a loan scheme under the "Enterprise Sri Lanka" Project to provide funds for investors to improve day care facilities."<sup>94</sup>

Funds have been allocated for construction and improvement of Day Care Centers: Rs. 17.214 Million (231.039 USD) was allocated for the development and opening of new day care centers in 2017. The government has implemented programs to provide morning meal for preschool children suffering from malnutrition. The government has also initiated a Model Villages Project on Early Childhood Care and Development. Selected villages have been developed as "Early Childhood Development Model Villages" with the aim of making villagers aware of and sensitive to the benefits of Early Childhood Development."<sup>95</sup>

91 Maternity Benefits Ordinance, as amended in 2018, Sec. 02: "(1) The period for which any woman worker shall be entitled to the payment of maternity benefits shall be (a) twelve weeks, that is to say two weeks up to and including the day of her confinement and ten weeks immediately following that day, if the confinement results in the issue of a live child; and (b) six weeks, that is to say two weeks up to and including the day of her confinement and four weeks immediately following that day, if the confinement does not result in the issue of a live child: Provided however, that where such woman worker has worked in her employment for any number of days during the aforesaid period of two weeks referred to in paragraphs (a) and (b) she shall be entitled to the payment of maternity benefits for such number of days immediately after her confinement commencing from the day immediately after the date on which the aforesaid period of ten weeks or four weeks as the case may be, ends. The aforementioned maternity benefits shall be allowed in addition to any other holiday or leave for which the female employee is entitled to under any other law or regulation"  
<https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/106759/131103/E244170401/LKA106759%20Eng.pdf>

92 The Shop and Office Employees Act, as amended in 2018, Sec. 18(B) "(2) A female employee to whom this Part applies, shall, if she is confined, be entitled to take leave for a period of: (a) seventy days commencing on the date of her confinement, if the confinement results in the delivery of live child; and (b) twenty-eight days commencing on the date of her confinement, if the confinement does not result in the delivery of a live child and the employer shall allow such leave Where a female employee to whom this Part applies has worked for her employer on any number of days during the period of fourteen days referred to in subsection (1), she shall be entitled to take leave, for such number of days after her confinement, commencing on the day immediately after the date on which the period of leave referred to in paragraph (a) or paragraph (b) of subsection (2) ends and the employer shall allow such leave."  
<https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/106757/131098/E-1071425080/LKA106757%20Eng.pdf>

93 Office of the Cabinet of Ministries, Press briefing of Cabinet Decision [http://www.cabinetoffice.gov.lk/cab/index.php?option=com\\_content&view=article&id=16&Itemid=49&lang=en&dID=8279](http://www.cabinetoffice.gov.lk/cab/index.php?option=com_content&view=article&id=16&Itemid=49&lang=en&dID=8279)

94 The Official Government News Portal, Sri Lanka, <https://www.news.lk/cabinet-decisions>

95 Ministry of Women and Child Affairs, <http://www.childwomenmin.gov.lk/institutes/childrens-secretariat/main-development-programmes>

### III. Legal obligation for employers to support childcare

Question	Answer and Legal Basis
Is there a legal obligation for employers to provide or support childcare services?	<p>Yes. According to the 1939 Maternity Benefits Ordinance No. 32 of , Sec. 12A. (1);<sup>96</sup> "the employer of more than a prescribed number of women workers in any trade shall establish and maintain, in accordance with regulations made in that behalf, a creche for children under five years of age, and shall allow any such worker who has in her care a child or children under five years of age, to leave such child or children in such creche during the hours when she is required to work for her employer.</p> <p>The Minister may, for the purposes of this section, prescribe a number for a trade or a branch of a trade, having regard to the number of women workers employed in, and the nature of the work a woman worker is required to perform in, such trade or such branch.</p> <p>Regulations may be made for the purpose of securing the proper maintenance and administration of creches provided under this section, and generally for securing the health, safety and proper care of the children in such creches."</p>
If there is a legal obligation for employers to provide or support childcare, is it based on the number of female employees?	<p>The Maternity Benefits Ordinance does not specify the number of female workers that triggers the requirement for employers to provide a crèche for children under five years of age.</p> <p>According to Maternity Benefits Ordinance No. 32 of 1939, Sec. 12A (1) the employer of more than a prescribed number of women workers in any trade, The Minister may, for the purposes of this section, prescribe a number for a trade or a branch of a trade, having regard to the number of women workers employed in, and the nature of the work a woman worker is required to perform in, such trade or such branch.</p>
If there is a legal obligation for employers to provide or support childcare, is it based on the number of employees regardless of their gender?	No
Is there a special legislation applicable only to employer-provided childcare?	No

### IV. Legal obligation for employers to support childcare

Do employers receive tax benefits for providing or supporting childcare services?	No
Do employers receive non-tax benefits for providing or supporting childcare? Non-tax benefits include monetary and non-monetary support, such as technical support, property or financial incentives	No

96 Maternity Benefits Ordinance No. 32 of 1939, Art. 12A [http://www.ilo.org/dyn/natlex/natlex4.detail?p\\_lang=en&p\\_isn=27182](http://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&p_isn=27182)

## V. Quality of Private Childcare Services

According to the 1939 Education Ordinance No. 31, Art. 37, the Minister of Education may make regulations for nursery schools defined as education facilities for children who have not attained the age of five. On July 26th, 2018 the Sri Lankan government received cabinet approval to issue National Guidelines for Day Care Centers<sup>97</sup> covering services provided to children **between 4 months and 12 years old**.<sup>98</sup> The National Child Protection Authority (NCPA) and the Prime Minister's Office formulated the final draft after considering recommendations from interested persons and groups. This National Guidelines is a comprehensive document that aims to regulate registration of newly established childcare centers, set out responsibilities of care providers, and standards of services to ensure the safety and well-being of children. The Guidelines also seek to improve the quality of services in existing childcare facilities and provides the framework for assessing their performance. The Guidelines will be implemented by the provincial Department of Probation and Child Protection.

Childcare facilities that are covered by the Guidelines include:

- a. Type I –Day Care Centers
- b. Type II –Workplace-based Child Day Care Centers
- c. Type III –Private Home Day Care for Children

<p>Are licenses or registration legally required to establish childcare?</p>	<p><b>Yes. Sec.3 of the National Guidelines for Day Care Centers in Sri Lanka states:</b> "Registration of a Child Day Care Centre is mandatory and all applications for registration and renewal of registration must be made to the Head-charged with overseeing Probation and Child Care services in the relevant province. Day Care Centre registration is mandatory for the Business Registration (BR) of the Centre at the Divisional Secretariat"</p>
<p>Are there zoning requirements in the law?</p>	<p><b>Yes. Sec. 6.1 of the National Guidelines for Day Care Centers in Sri Lanka states:</b> "The Premises:</p> <ol style="list-style-type: none"> <li>i. Must be a gated facility located in a safe, welcoming and child-friendly environment (e.g. away from garbage dumps, hazardous and polluted environments, bars, etc.) easily accessible to all children attending the Centre.</li> <li>ii. Must be free from hazards including unprotected wells, open pools, unprotected edges, drop-offs and cliffs, dangerous equipment, sharp objects, slippery areas and water leakages (e.g. roof, taps, etc.). It should have a safe roof, ceiling and paved floor.</li> <li>iii. Must be a permanent building that may be adjoining or in the premise of a private residence but is detached from its living space (other than Private Home Day Care).</li> <li>iv. Must be equipped to maintain a comfortable temperature.</li> <li>v. Should provide adequate space, and access to the necessary facilities for a range of age and gender appropriate and disability sensitive activities promoting child development.</li> <li>vi. Must have natural lighting and ventilation and must be well-kept.</li> <li>vii. The environment should not be over-stimulating and extravagant.</li> <li>viii. Must be free of rodents, hazardous insects, vermin, and toxic plants. Mosquito and insect breeding sites should be detected and treated regularly.</li> <li>ix. Must always have a sufficient supply of hygienic drinking water.</li> <li>x. Must be for the sole use of the Child Day Care Center during the hours of operation"</li> </ol>
<p>Does the law set out pupil to teacher ratio?</p>	<p><b>Yes. Sec. 5.2 of the National Guidelines for Day Care Centers in Sri Lanka states:</b> "The minimum Caregiver - children ratios should be as follows:</p> <ol style="list-style-type: none"> <li>a. Children below 2 years: 1 caregiver for 3 children</li> <li>b. Children aged 2 -3 years: 1 caregiver for 4 children</li> <li>c. Children aged 3-5 years: 1 caregiver for 6 children"</li> </ol>
<p>Are there penalties imposed on childcare providers for not complying with applicable laws and regulations?</p>	<p><b>Sec. 16.2 of the National Guidelines for Day Care Centers in the Sri Lanka states:</b> "An effective system must be put in place by the Registrant to receive complaints from children, parents and any other concerned party regarding the functioning of the Centre and take timely appropriate action"</p>

97 National Guidelines for Child Day Care Centers <http://www.childprotection.gov.lk/wp-content/uploads/2017/09/National-Day-Care-Guidelines-in-Sri-Lanka-English.pdf>

98 Sri Lanka to Issue National Guidelines for Child Day Care Centers, July 26, 2017, [http://www.colombopage.com/archive\\_17B/Jul26\\_1501091140CH.php](http://www.colombopage.com/archive_17B/Jul26_1501091140CH.php)

## The 10 companies featured in the report



### Brandix Lanka - Holding Company

The Brandix Group is one of the largest exporters of apparel in Sri Lanka. As the holding company of the Brandix Group of companies, they are engaged in developing, manufacturing and marketing end-to-end apparel solutions to global fashion brands such as Victoria's Secret, Gap, Lands' End, Lane Bryant, Marks and Spencer, and others. The company has over 20,000 employees of whom 68 percent are women.



### Fairway Holdings (Pvt) Limited

Fairway Holdings is a diversified business, offering lifestyle enhancing products and services. The Fairway Holdings company is known for luxury residences and has rapidly expanded into real estate, manufacturing and trading operations, renewable energy projects, bio technology, financial services and travel & leisure industry. The company has over 300 employees out of whom 21 percent are women.



### F. J. & G. de Saram

F. J. & G. de Saram is the oldest law firm in Sri Lanka. The practice was established in 1841 by F. J. de Saram, Snr. and offers a comprehensive range of corporate and commercial legal services. The firm employs over 100 individuals, 64 percent of whom are women.



### Hemas Holdings PLC

Hemas touches the lives of millions of loyal customers, via its renowned wellness, leisure and mobility businesses. Over a span of nearly seven decades, Hemas has delivered an award-winning range of diversified products and services that continue to help enrich lives, empower businesses, and make a positive contribution to the nation's economic development. At present, Hemas provides employment to over 7500 individuals, of whom 28.5 percent are female employees.



### MAS Holdings

MAS Holdings manages a portfolio of businesses with a revenue of USD 1.8bn. It is one of the largest design-to-delivery solutions providers in the apparel and textile manufacturing industry in South Asia. MAS is headquartered in Sri Lanka, has 53 manufacturing facilities across 16 countries, and design locations in key locations across the globe. The company has over 99,000 employees of whom 70 percent are women.



### LSEG Technology

LSEG Technology (formerly MillenniumIT (Pvt) Ltd) is a leading financial technology product-based organization. LSEG Technology's systems are used by over 40 financial service firms and exchange businesses around the world, processing over one billion transactions. The company has over 500 employees of whom 22% are women.



### Selyn

Selyn engages the traditional Sri Lankan community of handloom weavers in producing fashion items and accessories, home products, toys and fabrics. Founded in 1991 by Sandra Wanduragala, Sri Lanka's only fair-trade guaranteed handloom company started off working with 15 women in the village of Wanduragala and has since grown into a network of around 1000 workers, 90 percent of whom are women.



### Standard Chartered Bank

Standard Chartered PLC is a British multinational banking and financial services company headquartered in London, United Kingdom. They operate a network of more than 1,200 branches and outlets across more than 70 countries and employ around 87,000 people globally. Standard Chartered Bank in Sri Lanka has over 600 employees of whom 48 percent are women.



### Unilever Sri Lanka

Unilever Sri Lanka is one of the largest fast-moving consumer goods (FMCG) companies in Sri Lanka, with 29 market leading brands in categories such as home care, personal care and foods and refreshments. Established in Sri Lanka in 1938, with brands such as Sunlight, Lux and Pears, Unilever manufactures 95 percent of its products locally. The company has over 400 employees out of whom 25 percent are women.



### WSO2

WSO2 is an IT company with offices in Australia, Brazil, Sri Lanka, UK and US, offering middleware applications, a software that connects other software components to create a seamless workflow for business operations. In Sri Lanka, the company has over 500 employees out of whom 33 percent are women.

## IFC Women in Work Program

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