Tackling Childcare: The Business Case for Employer-supported Childcare in Sri Lanka

Case Study

Selyn
Hand Loom Weaving, Home Products, Toys & Fabrics
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The IFC-led Women in Work (WW) Program, a four year program valued at US$11.5mn and funded by the Australian Government, launched in April 2017. It is IFC’s largest, standalone country-based gender program, working with private sector companies to close gender gaps while improving business performance. The program, which benefits from multisector program design and works closely with the World Bank on research, tackles women’s access to jobs and assets at the same time. It aims to increase women’s workforce participation in Sri Lanka’s private sector, create more and better jobs for women, and has the potential to increase company profits and drive overall economic growth. WW also contributes to the vision of the Government of Sri Lanka where all citizens can achieve higher incomes and better standards of living by 2025.

Access to quality childcare services is a key constraint on women’s labor force participation. Following IFC’s global Tackling Childcare initiative, this report highlights Sri Lanka-specific data, experiences and resources on employer-supported childcare and may not only be relevant to individual businesses but can also serve as a resource for special economic zones, Information Technology (IT) parks and other consortium models. This case study is one of 10 featured in the report “Tackling Childcare: The Business Case for Employer-supported Childcare in Sri Lanka”, available at www.ifc.org/tacklingchildcare.

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2121 Pennsylvania Avenue, N.W.
Washington, D.C. 20433
USA
Internet: www.ifc.org

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Selyn

Sri Lanka’s only Fair-trade Guaranteed Company
Investing in Childcare

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) across the island.

To date, Selyn exports its fair trade products to 40 countries around the world and at the same time calls 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.

Selyn hopes to extend this service to children up to 18 years as they see that other 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 daycare 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.

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 extend 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 homeworker 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, Selyn finds 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 daycare 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.
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. 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.
The DFAT-IFC Women in Work program Sri Lanka, in partnership with leading private sector companies, aims to demonstrate that corporate performance can improve from closing gaps between women and men in the private sector.