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

Case Study

LSEG Technology
Financial Technology
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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. WiW 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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LSEG Technology
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 crèche 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.

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

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
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 Kreeda and WSO2 in Colombo. 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.

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.

**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

“I have watched my daughter grow and benefit from the daycare environment, including its quality instruction. I can confidently say it has smoothened 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

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.