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

Case Study

Brandix Lanka

Garments and Apparel



ABOUT IFC

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ABOUT IFC'S WOMEN IN WORK PROGRAM IN SRI LANKA

The IFC-led Women in Work (WiW) Program, a four-year program valued at US\$11.5mn and funded by the Australian Government, launched in April 2017.¹ 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 2025.²

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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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, Pink, M&S, H&M, etc. Brandix, a member of IFC's SheWorks partnership in Sri Lanka, is a \$700 million company employing over 29,000 people (of whom 69 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.³

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."⁴

Ishan Dantanarayana, Group Chief People Officer, Brandix Group

1 IFC. 2017. Government of Australia Partner to Support More and Better Jobs for Women in Sri Lanka.
2 Office of the Prime Minister. 2017. Vision 2025. A Country Enriched. See page 26.

3 Daily FT. 2012. Brandix to roll-out Gap Inc.'s PACE program for female associates.
4 2014. SHRM. Brandix Weaves Its Business into the Community.

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December 2018