



## Gendered Impacts of COVID-19 on Employment in the Private Sector, Sri Lanka

IN PARTNERSHIP WITH





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October 2020

## Executive Summary

This briefing note presents a snapshot of the gender dimensions of the impacts of the COVID-19 pandemic on employment in Sri Lanka. Research was conducted with employees and HR managers from 15 leading companies across a range of sectors. Collectively these companies employ more than 140,000 employees, including approximately 85,000 women. Key findings include the following:

### **Workers from across all sectors experienced negative financial impacts due to COVID-19 with almost two-thirds of respondents reporting at least one impact of COVID-19 on their ability to meet personal and family financial obligations.**

- Almost one-third of employees experienced a reduction in salary, and almost 40 percent had their benefits reduced.
- Over 40 percent of workers may need to supplement their income, one-third believe they will need to up-skill or retrain in a new area, and around 20 percent are concerned about possible job-loss.
- Over one in five married women and one in six married men anticipate their spouse will seek new income-earning opportunities to make up for the overall reduction in family income.
- Forty-two percent of women and 37 percent of men reported challenges meeting utility bills, 21 percent of women and 26 percent of men reported challenges meeting other basic household expenses, and 22 percent of women and 34 percent of men reported challenges meeting housing, car or other personal loan repayments.

### **Companies have experienced widespread negative impacts on business and operations, including:**

- Eleven out of the 15 companies reported a negative impact on revenue, nine reported a negative impact on orders or previously agreed contracts, and on their ability to make new investments, and eight reported a negative impact on their ability to service debt.
- Sixty percent of participating companies temporarily redeployed employees to an alternate work role or location (or plan to do so in the next three months); over one-quarter temporarily reduced employee work hours, and one in five companies made employees redundant.

### **While most companies and employees reported that they believe COVID-19 will equally affect women and men, female and male employees experienced differences in the impacts of COVID-19, including:**

- Female employees were more likely to have experienced increased hours, remote working, a change in job role or to have been re-allocated to a different business unit or work location.
- Female managers at all levels were more likely than their male peers to report increased hours, while men at all levels were equally or more likely to report increased responsibility. Women senior managers were more than twice as likely as male senior managers

to report increased hours, but reported the same result as men in terms of increased responsibility. This shows some female senior managers shouldered additional workloads during COVID-19 without the commensurate increase in responsibility enjoyed by their male peers.

### **Workers reported significant impacts on productivity due to COVID-19, with important differences among women and men:**

- Almost one-third of workers reported they were less productive during the previous three months compared to pre-COVID-19, with men more likely to have reported reduced levels of productivity than women. Conversely, women were more likely to have reported increased productivity than men – over three-quarters of women reported the same or an increased level of productivity during COVID-19, compared to just over one-third of men. Some reasons given included being able to better manage work and home responsibilities and the lack of time, and stress involved in traveling to work. Connectivity, in terms of phone and internet connection, was the number one reason cited for lower productivity for both women and men.
- Women were almost twice as likely to report household or care responsibilities as factors impacting their productivity than men.
- One-quarter of men and one in five women reported they were distracted due to health, stress or mental well-being.

### **Companies are implementing a range of measures to support employees, but more needs to be done:**

- Almost three-quarters of firms reported their flexible work policy was one of the most useful policies for managing human resources during COVID-19. Yet, 30 percent of women and 27 percent of men report concerns about having the flexibility to manage work and home responsibilities upon returning to the workplace. Two-thirds of those employees who reported concerns about flexibility are employed by companies who identified flexibility as one of the most useful policies.
- Almost two-thirds of companies have provided employees with transportation to get to and from work, and yet over one-third of employees reported transportation to and from work as an area of concern for their return to work, including two-fifths of employees from companies already providing some form of transportation.
- Almost all companies reported that staff engagement and communications were among the most useful tools for managing staff during COVID-19,

and over nine out of ten respondents reported that their company's communication about COVID-19, and the associated impacts on their employment and the business was highly or somewhat effective.

- Two-thirds of companies have provided some form of mental health and counseling support

to workers; over one-third of workers identified mental health and wellbeing support as needed to help manage work and life during COVID-19.

- Almost two-thirds of workers reported health and safety concerns, including access to PPE and adequate social distancing measures, when asked about their return to the workplace.

## Recommendations

The rapid assessment has illuminated areas where greater support is needed for working women and men over the coming period. Potential areas of focus for employers include:

• **Develop and implement meaningful flexible work policies.** Almost all companies have allowed staff to work flexibly, and three-quarters reported their flexible work policy as one of the most useful policies. Yet, almost one-third of workers report concerns about having sufficient flexibility – two-thirds of whom are employed by companies who identified flexibility as one of the most useful policies – and increased flexibility was the number one way workers felt employers could help staff manage work and home responsibilities. This indicates that while most companies have flexible working policies in place, more needs to be done to ensure all staff can effectively access these benefits in the way that best suits their needs. Firms should consider ways of engaging with existing and potential new employees that allow greater flexibility, even once the COVID-19 pandemic is over.

• **Support staff, particularly women, to access the technology they need to be productive.** With connectivity being the number one reason cited for low productivity, employers need to ensure their employees have access to both the hardware (laptops, phones, and other enabling physical technology), and software (internet connections, phone connections, etc.) to enable them to effectively stay connected.

• **Conduct transport needs assessment and consider providing employee transportation.** Over one-third of staff were concerned about safe transportation in the context of returning to the workplace, including two-fifths of employees

from companies already providing some form of transportation. Companies should evaluate the solutions they have already implemented to confirm whether they are meeting the needs of employees, or whether further actions need to be taken. Employers should consider alternative transportation arrangements such as ride-hailing, to help respond to this need.

• **Provide mental health and wellness support.** With over one-quarter of men and one in five women reporting feeling distracted or unable to focus due to health, stress or mental well-being, and over one-third identifying this as an area where support is needed, there is clearly a need for employers to be investing in supporting the mental health and wellness of their employees.

In addition to employers, there are important considerations for public policymakers. While this report does not offer explicit recommendations in this regard, it draws on advice from the World Bank and United Nations to highlight the potential benefits of introducing a universal social protection 'floor', targeted normally to only the poor, but allowing other households that have lost their incomes to rapidly register and receive temporary financial support. Doing so would ensure the poorest members of society would be in a better position than before the crisis, while those on middle incomes would have a high proportion of their lost income restored.

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Almost all companies have allowed staff to work flexibly, and three-quarters reported their flexible work policy as one of the most useful policies

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## Purpose of This Report

This rapid assessment (the Assessment) was conducted between June 22 to July 22, 2020. The purpose was to understand the impacts of the pandemic on human resources of a group of large businesses in Sri Lanka, from a range of sectors, with a specific focus on the impacts on women's and men's ability to remain employed and to work productively.

Data for the Assessment was collected through the following two activities:

- Human resources survey completed by 15 large firms, employing more than 140,000 employees, including approximately 85,000 women, and representing the following sectors: Banking and Finance (3 firms), Conglomerate (6 firms), Fast Moving Consumer Goods (3 firms), Information Technology (1 firm), Garments and Manufacturing (2 firms), and Shipping (1 firm).

*Note:* In order to provide a more nuanced perspective between sectors, data from Hemas FMCG was included in the study separately from the rest of the Hemas Group. For this reason, the company analysis includes 15 companies in total.

- Employee survey completed by 1,032 employees from across the 15 companies, 50 percent of which were

women and 50 percent were men.

- Sixteen follow-up interviews were held with ten female employees and six male employees.

Because all surveys and interviews were conducted with large businesses, they may have higher levels of resilience, and may have been impacted differently from other smaller businesses. The results of this study should not be assumed to be representative of the Sri Lankan private sector as a whole.

For the purposes of this report, the onset of COVID-19 in Sri Lanka is taken as being mid-March 2020 when all public schools were closed, seven days before the nationwide curfew came into effect.

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Employee survey completed by 1,032 employees from across the 15 companies, 50 percent of which were women and 50 percent were men

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With thanks to the following participating institutions

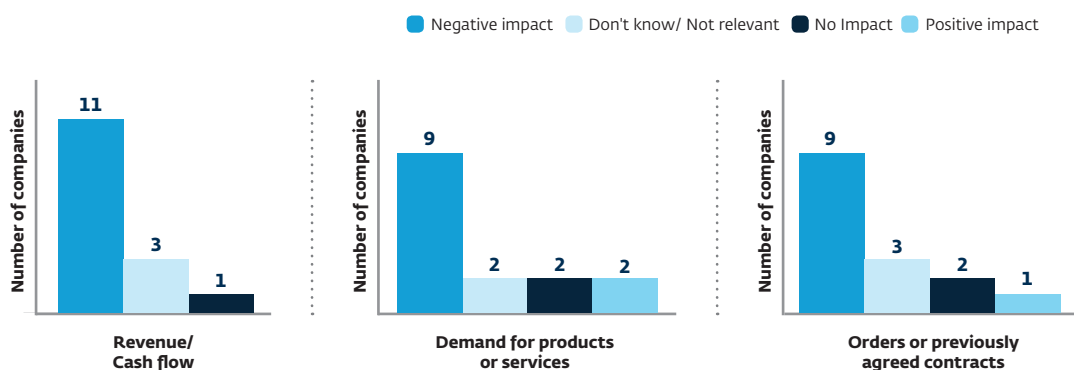


## Business Impacts

The companies surveyed reported widespread negative business impacts due to COVID-19. Only one company, from the financial sector, reported consistently positive or neutral business impacts. Eleven companies reported a negative impact on revenue, nine reported a negative impact on demand for products and services, and eight reported a negative impact on orders or previously agreed on contracts (Figure 1).

Figure 1

### Impacts on Revenue, Demand for Products or Services and Orders or Previously Agreed Contracts



None of the 15 companies surveyed reported positive impacts on operations or financial decisions (Figure 2). Ten reported a negative impact on sourcing of stock or raw materials, and on operational processes. More than half (eight companies) reported a negative impact on fulfilling contractual obligations to buyers or suppliers, and just under one-half (seven companies) reported a negative impact on the distribution of goods or services. Nine companies also reported a negative impact on their ability to make new investments, and over half (eight

companies) reported a negative impact on their ability to service debt (Figure 3).

“Over half of companies reported a negative impact on their ability to service debt”

Figure 2

### Impact on Operations

Legend: Negative impact (dark blue), No Impact (dark grey), Don't know/ Not relevant (light blue)

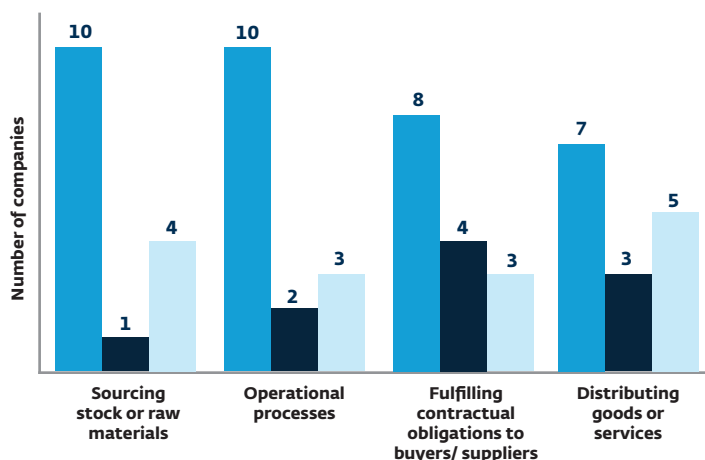
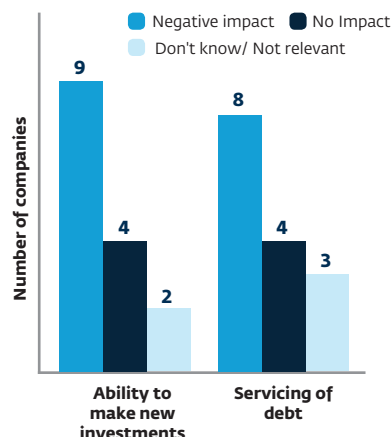


Figure 3

### Impact on Financial Decisions

Legend: Negative impact (dark blue), No Impact (dark grey), Don't know/ Not relevant (light blue)





## Employment Impacts

### Workplace Adjustments

The companies surveyed have faced a range of employment-related challenges since the onset of the pandemic in March 2020. All 15 companies requested employees to work from home for at least some period, and almost all (93 percent) allowed employees to work flexibly in terms of adjusting work hours or work location. These findings reflect a new way of working and present an opportunity for firms to think about their human resources in a different way. Firms should consider ways of engaging with existing and potential new employees that allow greater flexibility, even once the COVID-19 pandemic is over. Other significant impacts included (Figure 4):

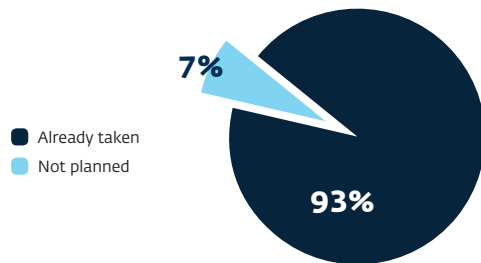
- More than one-quarter (27 percent) temporarily reduced employees' work hours and one additional company plans to do so in the coming three months. Two companies temporarily increased employees' work hours.
- Sixty percent of companies have either temporarily redeployed employees to another work role or location (33 percent), or plan to do so in the next three months (27 percent).
- One company directed employees to take paid and unpaid leave, including standing down or furloughing of some employees. All other companies have not done so and do not plan to do so.
- Twenty percent of firms made employees redundant, while the remaining 80 percent do not plan to do so. Those that experienced redundancies represent the conglomerate and garments sectors.
- One company, in the conglomerate sector, expects to hire new employees within the next three months.



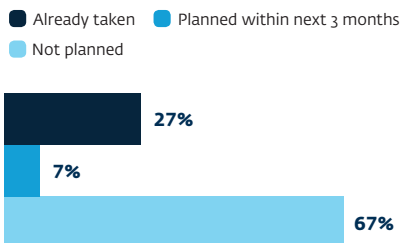
Figure 4

## Workforce Adjustments Due to COVID-19

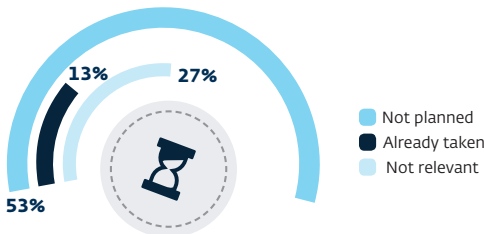
### Directed or allowed employees to work flexibly in terms of work hours or location



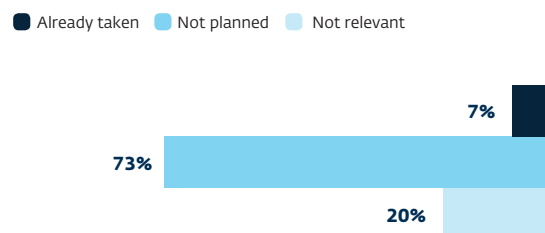
### Temporarily reduced employees work hours



### Temporarily increased employees work hours



### Direct employees to take unpaid leave, including standing down employees

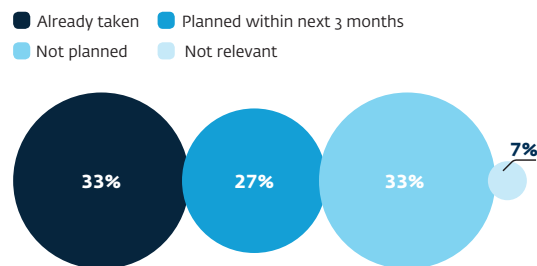


“ One-third of companies temporarily redeployed employees to another role or location ”

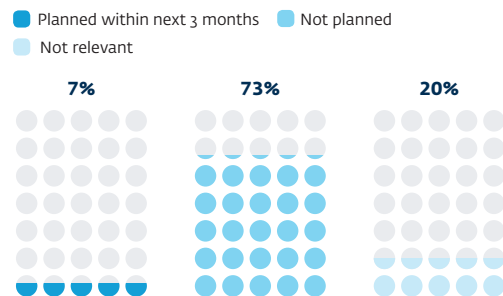
### Directed or allowed employees to work from home

**100%** Already taken

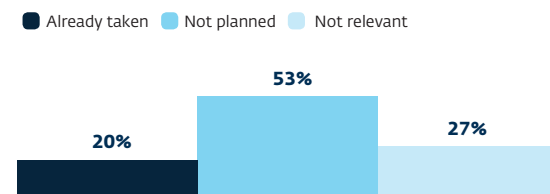
### Temporarily redeployed employees to another role or work location



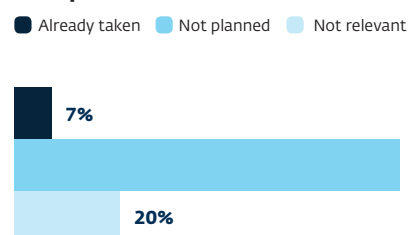
### Hired additional employees



### Made employees redundant



### Directed employees to take paid leave





Most company responses (80 percent) indicated that they believe COVID-19 will equally affect women and men in terms of their ability to remain in work. Among employees, however, there was more variance; around six out of ten employees felt women and men would be impacted equally, while 15 percent of women and eight percent of men felt COVID-19 will more negatively impact female employees, and 12 percent of men and ten percent of women believe men will be more negatively impacted.

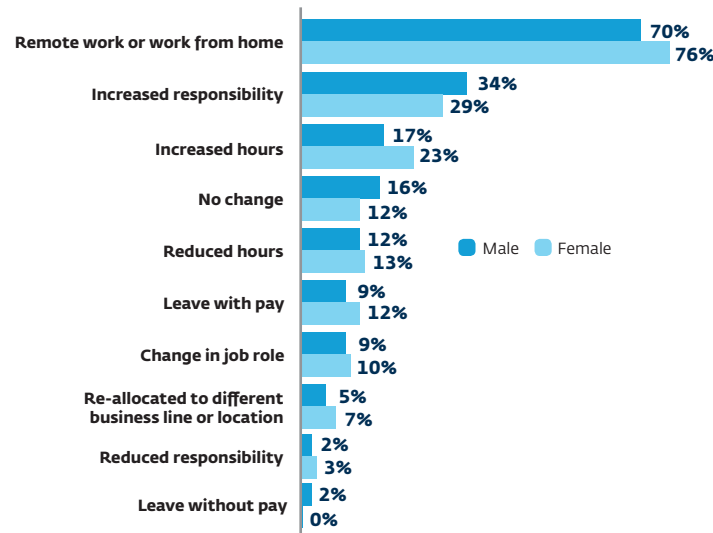
Employees reported several changes to their ways of working due to COVID-19 (Figure 5). Men tend to report slightly higher responses in areas that suggest they were less negatively impacted, such as experiencing increased responsibility (34 percent of men compared to 29 percent of women), or no change in their work (16 percent compared to 12 percent). While women were more likely to have experienced increased hours (23 percent compared to 17 percent), remote working (76 percent compared to 70 percent), and were more likely to have experienced a change in job role or re-allocation

(17 percent compared to 14 percent of men).

Female managers at all levels were more likely than their male peers to report increased hours, while men at all levels were equally or more likely to report increased responsibility (Figure 6). Female senior managers were more than twice as likely as male senior managers to report increased hours (59 percent of women compared to 28 percent of men). However, they reported the same result as men in terms of increased responsibility (50 percent). Female junior managers were also nine percent more likely to take on extra workloads than their male peers, but were four percent less likely to have been given more responsibility.

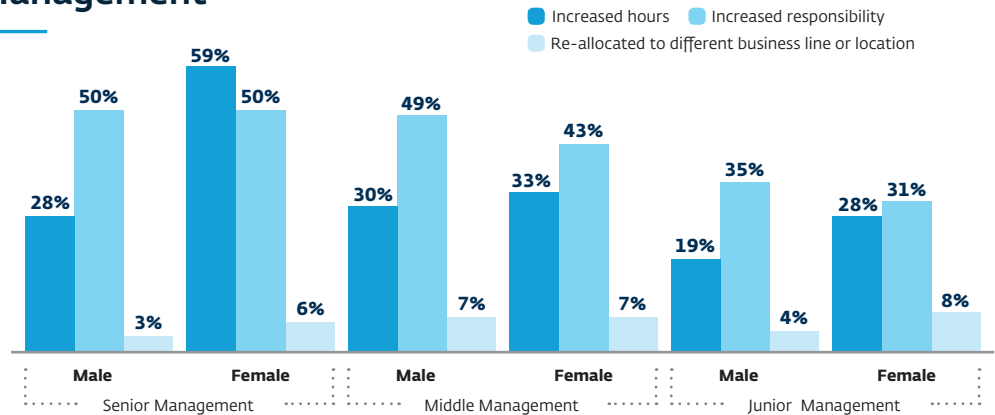
Women were also more likely to report having worked from home during the curfew period (March – June), with 58 percent of women having worked from home during this time, compared to 46 percent of men. Conversely, men were more likely to have a combination of home-based and work-based (29 percent of men compared to 22 percent of women).

Figure 5  
**Employee Reported Workplace Adjustments Experienced Due to COVID-19**



“Female senior managers were over twice as likely as their male peers to report increased hours”

Figure 6  
**Workplace Adjustments by Level of Management**



## Salary and Benefits

Men were slightly more likely to have experienced some change in their salary (both positive and negative) due to COVID-19 (Figure 7). Almost one-third (32 percent) of men experienced a reduction in salary, compared to 29 percent of women, and men were slightly more likely to have experienced an increase (3 percent compared

to 1 percent of women). While women were slightly more likely to have experienced a negative impact in terms of benefits (Figure 8), 40 percent of women experienced reduced benefits, compared to 37 percent of men, and five percent of men experienced increased benefits compared to four percent of women.

Figure 7

### Impact of COVID-19 on Salary

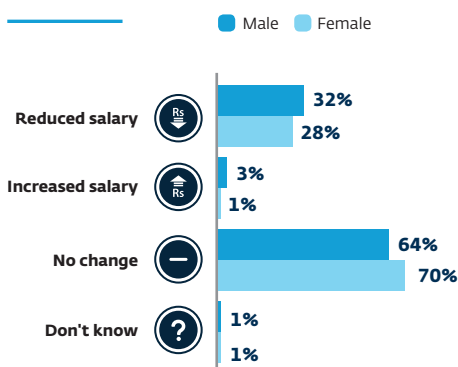
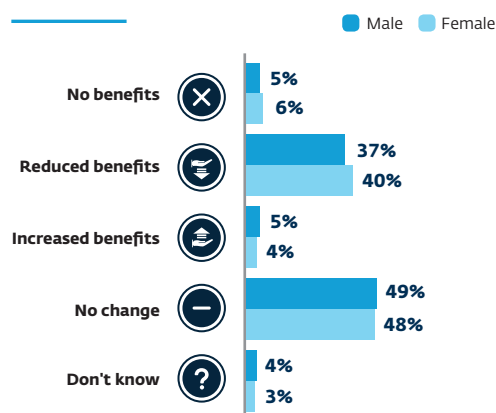


Figure 8

### Impact of COVID-19 on Employee Benefits Received



## Productivity

Almost one-third of all respondents reported they were somewhat less productive or highly unproductive during the previous three months as compared to pre-COVID-19 (Figure 9), with men more likely to have reported reduced levels of productivity than women. Some of the reasons given by women included the challenges of balancing work and caring for young children. *"It is stressful to work at home and I am sure my productivity was really low because with a child at home, it is difficult to work with good concentration,"* said a pregnant female employee with one child at home. While other employees referred to the lack of supervision which can lead to lower productivity. *"I think the level of productivity during the COVID period was low because there was less supervision when we worked from home,"* said a male employee in the IT sector.

Over three-quarters of women reported the same or an increased level of productivity during COVID-19, compared to just over two-thirds of men. This may be due to the increased levels of flexibility employees experienced and the higher proportion of employees working remotely or from home during COVID-19, which allowed women to better manage work and home responsibilities. One mother of two, employed in the conglomerate sector, reflected, *"I love working from home. It allows me to be around my family, and I can finish my daily tasks any time during the day, not having to stick to the 8 a.m to 5 p.m schedule."* Others also reflected on the benefits of not having to travel to work. *"Working from home is a new experience. Traveling to work made me physically tired. As there is no traveling, working from home motivated me to work with more enthusiasm. I was more*

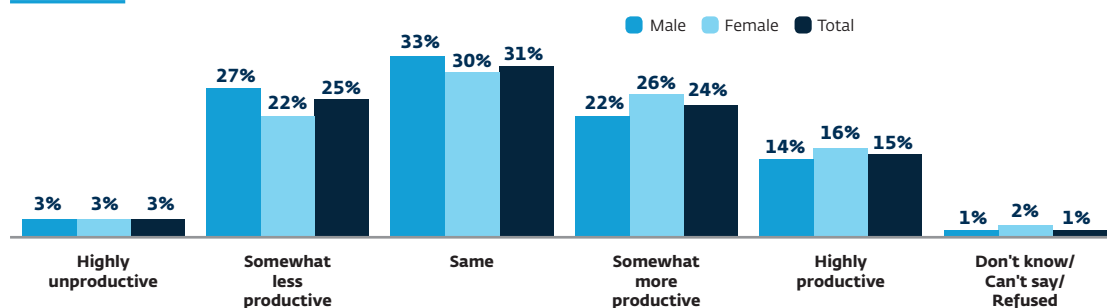
*productive than I thought,"* said a female employee in the garments sector. In contrast, when asked about what helped increase productivity levels, men were more likely to reflect on the desire to not let co-workers down and the motivation that came with increased responsibility. *"Increased responsibilities make us more productive. We wanted to reach our targets within a shorter period of time,"* said a male employee in the garments sector. *"Even with the stressful situation, we managed to maintain our best productivity and efficiency,"* said a father of three employed in the conglomerate sector.

There were significant sectoral differences in terms of productivity impacts, with IT and shipping reporting the greatest increases in productivity (66 percent of staff), followed by the FMCG sector (60 percent). In contrast, the garments and manufacturing sectors reported the highest levels of reduced productivity (36 percent of staff), followed by banking and finance (31 percent), and the conglomerate sector (30 percent).

“ Over three-quarters of women reported the same or an increased level of productivity during COVID-19 ”

Figure 9

## Self-Assessed Productivity Levels During COVID-19 (3 months) Compared with Pre-COVID-19



Of those respondents who reported lower levels of productivity during COVID-19, connectivity was the number one reason given (Figure 10). Given the projections that COVID-19 will be present in some form for many more months to come, this finding suggests that more needs to be done to ensure staff have adequate connectivity, wherever they need to work from home.

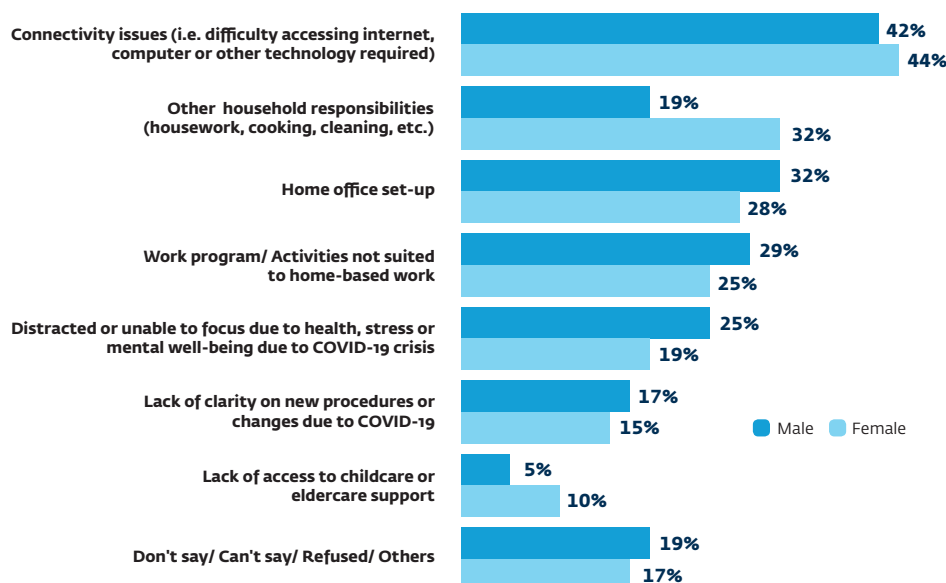
There were several areas where women and men differed in their responses, particularly when it came to household or care responsibilities. Women were significantly more likely to report household or care responsibilities as factors impacting their productivity than men, with 42 percent of women identifying with at least one of these reasons compared to 25 percent of men. In the words of one father, *"For me, managing children was never a responsibility. Since I worked from home, they made my work life easier and more productive. I got all the support from my two children. I wish I could work from home continuously."* These findings suggest that many women have taken on the added responsibility of care and household tasks during COVID-19. Overall, there

was only a small difference in self-reported productivity among parents with children under the age of 18 at home with them during COVID-19 – with 29 percent of women and 31 percent of men with children reporting being somewhat less or highly unproductive, compared to 24 percent of women and 28 percent of men without children.

The top three factors impacting women's productivity, apart from connectivity, were household responsibilities (32 percent), home office set-up (28 percent), and work program not well-suited for home-based work (25 percent). Men, on the other hand, reported home office set-up (32 percent), work program not well-suited for home-based work (29 percent), and being distracted or unable to focus due to health, stress or mental well-being due to COVID-19 (25 percent). These findings help illuminate the areas where male and female employees may require different types of support in the coming months.

Figure 10

## Factors Affecting Employees' Ability to Work Effectively During COVID-19



Childcare Responsibilities

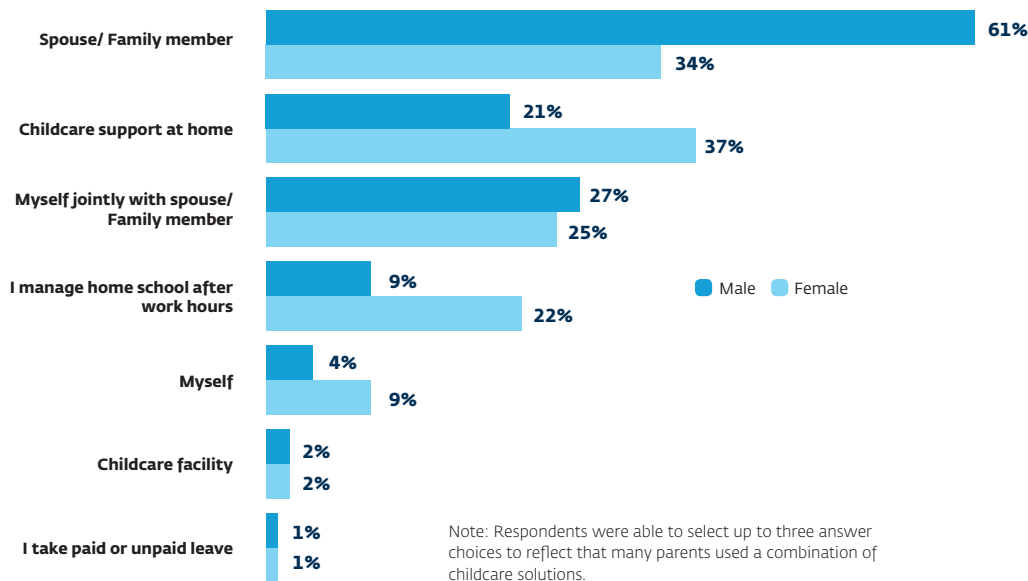
Almost half (43 percent) of all respondents in the employee survey reported having children under the age of 18 under their care during the pandemic, with men more likely than women to report this to be the case (47 percent of men compared to 40 percent of women).

When asked how parents managed balancing work and childcare, and homeschooling needs during COVID-19, men were almost twice as likely as women to report having a spouse or other family member available to care for children during work hours (61 percent of men compared to 34 percent of women). Conversely, women were 16 percent more likely than men to have other childcare support at home in the form of a nanny or extended family member, and were 13 percent more likely than men to manage care and homeschooling activities themselves after regular work hours (22 percent of women compared to nine percent of men).

Almost one in ten mothers reported caring for children themselves during work hours, while fewer than one in 20 men reported doing so.

These findings are also reflected in workers' concerns about returning to the workplace. More than one out of ten parents reported concerns around childcare support in the context of returning to the workplace, with mothers more likely to identify childcare as a concern (15 percent of mothers compared to eight percent of fathers). When asked about their concerns, parents reflected on the lack of adequate support for their children at home. One, father of three, reflected, *"My eldest son is 17-years-old. So, we left the other two kids with him because we have no other choice. We were always worried about their safety, security, schoolwork, homework, and meals when we left for work. Those days were more stressful."*

Figure 11  
Who Cares for Children During Work Hours



Financial Impacts of COVID-19 on Employees

Almost two-thirds of respondents reported at least one impact of COVID-19 on their ability to meet personal and family financial obligations (Figure 12). Women and men both reported the same top three areas of financial stress, but with marked differences between them:

- Women faced the greatest stress in terms of meeting increased electricity and other utility bills 42 percent, compared to 37 percent of men.
- Over one-third of men reported challenges meeting housing, vehicle or personal loan repayments, compared to 22 percent of women.
- Over one-quarter of men report challenges meeting

basic household expenses, compared to 21 percent of women.

When asked about these impacts, employees reflected that they faced financial stress for a range of reasons. In the words of one female employee in the banking and finance sector, who is the primary income earner for her family, *"I had to face tremendous financial stress since my husband is a school van driver, and he got no income for nearly five months. There is neither any financial support from the workplace nor from the government."* A female employee in the conglomerate sector reflected, *"My monthly savings have drastically reduced due to the unavailability of over-time work and the monthly allowance cuts. I really need financial assistance right now!"*

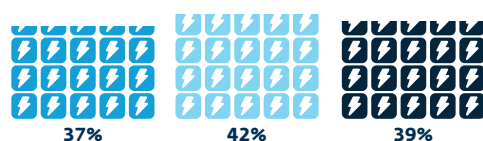


Figure 12

## Personal and/or Family Financial Obligations During COVID-19

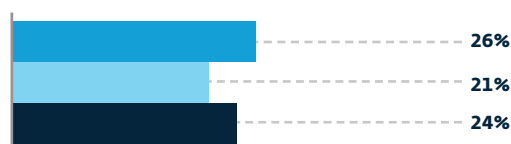
### Increased electricity and other utility bills

Male Female Total



### Challenges meeting basic household expenses

Male Female Total

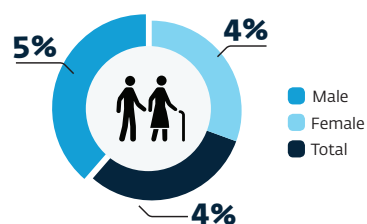


### Challenges meeting healthcare expenses

Male Female Total

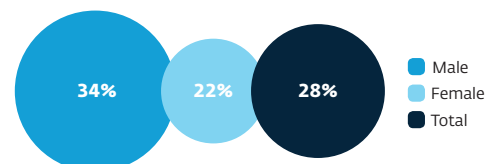


### Challenges meeting eldercare expenses



When asked about other economic impacts of COVID-19, over two-fifths of workers reported that they will most likely need to supplement their income, as a result of COVID-19 (Figure 13). One male employee from a conglomerate, for example, indicated that he has existing skills he would like to put to use. *"I am planning to use my skills to start a garage near my home to make an additional income,"* he said. Meanwhile, others reflected the need for supplementary income but were not sure how to go about it. *"I think having a supplementary income would be very beneficial. But, at this moment, we cannot start or think of any new ways because of the prevailing situation in the country,"* said a female employee from the garments sector. Some companies that participated in the study have already begun

### Challenges meeting housing, vehicle and personal loan repayments



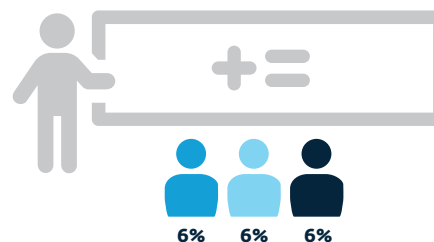
### Partner or spouse has lost their job or experienced reduced earnings

Male Female Total



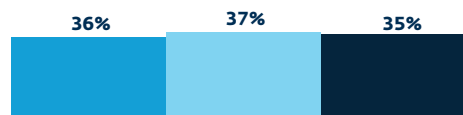
### Challenges meeting childcare and school expenses

Male Female Total



### Don't say/ Can't say/ Refused/ Others

Male Female Total



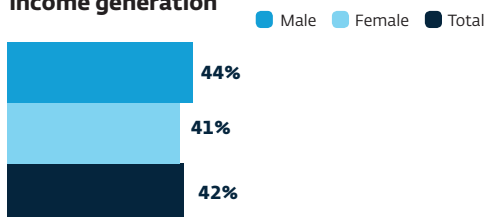
implementing livelihood support programs for their employees (see Box 1).

Almost one-third also report that they will need to up-skill or retrain in a new area (Figure 13). One in five respondents were concerned about possible job-losses, and almost one in ten believe they may need to find new employment. In all the cases, men were slightly more likely to have reported these potential impacts. The one area where women were more likely to anticipate a negative impact was the likelihood of having to resign, take extended leave or reduce hours to manage household responsibilities (four percent of women compared to two percent of men).

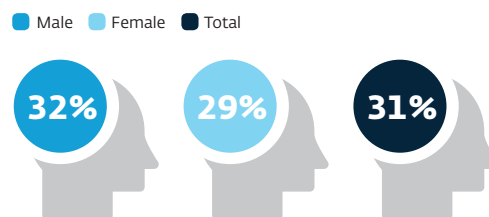
Figure 13

## Other Economic Impacts of COVID-19 Anticipated by Workers

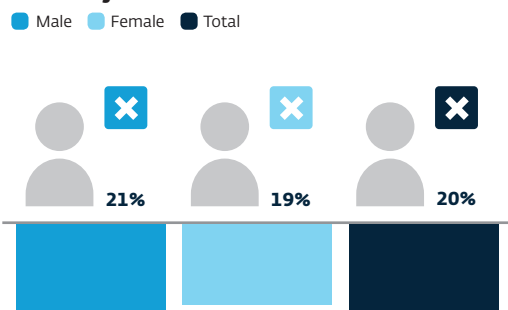
### Requirement for supplementary income generation



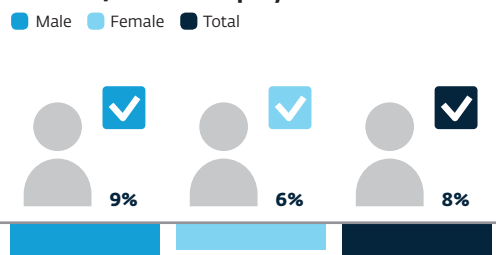
### May need to up skill or retain in a new area or to develop new skills



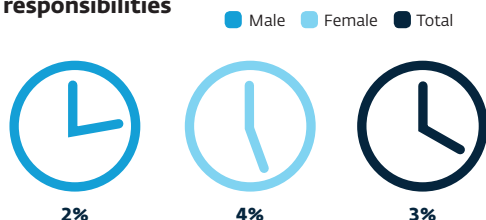
### Possible job loss



### Need to find new employment



### May need to resign, take extended leave or reduce hours to manage household responsibilities



“ Over 40 percent of employees may require supplementary income ”

#### Box 1. Upskilling and Providing a Secondary Income Source

Hela Clothing (Hela), a company focusing on apparel manufacturing, design, and innovation, employs over 15,000 people, of which 71 percent are women. To provide factory staff with a secondary income source, the company created the Hela Diriliya Club. This initiative allows each factory to execute projects that will help staff generate a secondary income. Through an internal survey, the areas identified for income generation are home gardening, plant nurseries, food manufacturing, transportation, and beauty and skincare. The idea was conceptualized pre-COVID-19 but was executed following the onset of the pandemic when it became clear that many Hela employees and their families were in need of a secondary income source.

Hela supports interested employees by developing an action plan, providing technical training, facilitating access to financial support when needed, and linking up participants with a market for their products. By the end of 2020, 350 female factory staff will complete the pilot of the Diriliya program.

MAS Holdings (MAS), also recognizes the importance of supporting female employees to develop small scale businesses and has been doing so for almost 16 years. MAS identified early on that women in the apparel industry, especially because of the shift-based nature of the job, are interested in starting their own businesses while engaging in formal work at MAS facilities. MAS provides technical training in a range of areas, and in 2019 launched a program to bring external entrepreneurs together with MAS employees to help build capacity in relation to marketing, product development, business planning, sustainable business practices, and social media presence.

These activities have taken on greater importance during COVID-19, when MAS consulted with 150 women across the group to identify key areas of support needed. As a result, MAS, in collaboration with Lonali Rodrigo, designer and founder of House of Lonali, has been supporting women through this program to develop business plans that respond to COVID-19 realities, along with ensuring the women work closely with their local communities in their businesses in a bid to develop more community-based businesses and supply chains. Through this pilot program, MAS will select 50 out of the current 150 participants to do training and development in selected areas based on their needs and to also provide mentoring and support through professionals and experts in their geographic locations.

## Secondary Impacts

Of the 516 women that completed the survey, six percent were in senior management, 21 percent in middle management, 36 percent were junior or senior executives, and 37 percent were operational staff. A similar breakdown applies for male respondents, with six percent in senior management, 20 percent middle management, 41 percent junior or senior executives, and 24 percent operational staff (Figure 14).

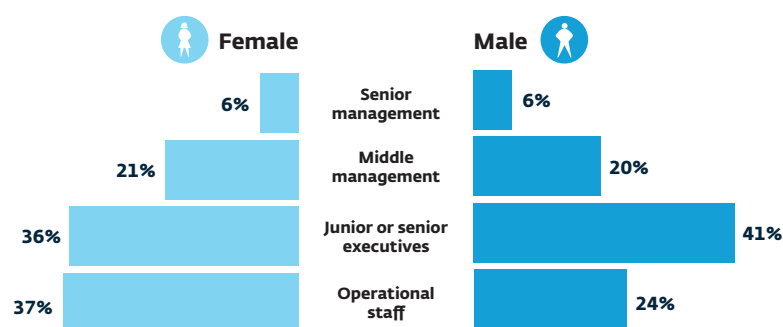
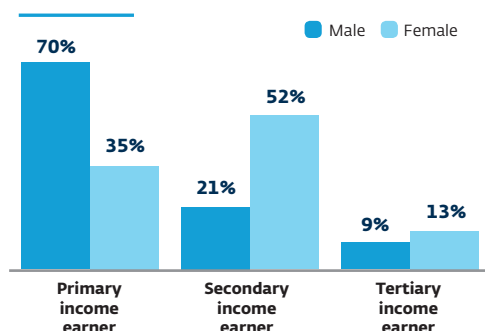


Figure 14

Male respondents were more than twice as likely to report being the primary income earner in their household (70 percent compared to 35 percent of women), while women were over twice as likely to report being the secondary income earner (52 percent of women compared to 21 percent of men) (Figure 15). These findings reflect traditional gender roles in Sri Lanka, where men are generally considered the primary breadwinners.

Figure 15

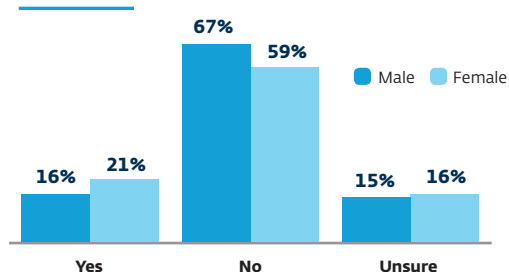
### Share Of Respondents by Primary, Secondary or Tertiary Household Earner



Overall, 59 percent of female respondents and 64 percent of male respondents are married. Of those who are married, more than three-quarters (79 percent) of women's spouses are involved in some form of economic activity, while only around half (52 percent) of men's spouses are involved in some form of economic activity. COVID-19 seems to have increased the likelihood of some spouses to seek work as over one-fifth of women reported that their spouse will seek new job opportunities due to COVID-19, and an additional 16 percent were unsure, while 16 percent of men also reported that their spouse may look for new work, and a further 15 percent were unsure (Figure 16).

Figure 16

### Share of Respondents Reporting their Spouse May Seek New or Additional Job Opportunities due to COVID-19



When looking only at those spouses who were previously not involved in any economic activity, we find that there is a significant increase in the likelihood that they will now look for work as a result of COVID-19. One-quarter of married women and over one in six married men reported that their previously unemployed spouse may seek new or additional job opportunities as a result of COVID-19. One in six married women and men reported they were unsure whether their spouse would seek new or additional work. This reflects the financial challenges families are facing as a result of COVID-19, and the need for additional or supplementary income. This can also present an opportunity for increasing women's participation in paid work in Sri Lanka.

## Creating Safe Systems of Work and COVID-19 related Benefits

All firms have developed a variety of systems to ensure the safety of their workforce during COVID-19, including the requirement for employees to practice social distancing when at the worksite, and providing employees with personal protective equipment. Notwithstanding this support, almost two-thirds of workers reported health and safety concerns, including access to PPE and adequate social distancing measures, when asked about their potential return to the workplace (Figure 17).

Ninety-three percent of the companies surveyed reported that they have provided employees with the tools they need to complete work remotely, and the remaining company plans to do so within the next three months. Notwithstanding this support, almost one-quarter of workers are concerned about their ability to continue to work from home due to not having a suitable space (22 percent), and just over one in ten reported that they do not have reliable access to the internet or access to appropriate IT equipment. More than one-third of workers are also concerned about increased household expenses associated with working from home, such as increased internet, phone

or power bills. This is reflected in the 39 percent of respondents who reported challenges in meeting increased utility bills.

Sixty percent of companies have provided employees with transportation to get to and from work, while the remaining 40 percent do not plan to do so. More than one-third of employees reported transportation to and from work as an area of concern for their return to work. Almost half of those workers who are concerned about transportation (or 19 percent of all respondents) are employed by companies who report already having

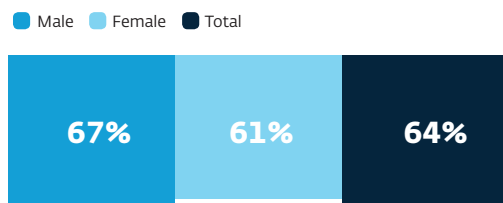




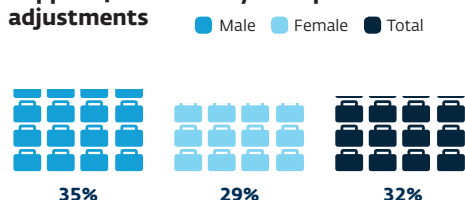
Figure 17

## Employee concerns about returning to the workplace

### Health and Safety including access to personal protective equipment and adequate social distancing precautions



### Support for necessary workplace adjustments



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Two-thirds of employees are concerned about health and safety upon return to work

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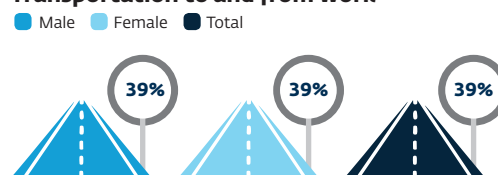
taken action to provide transportation. This indicates that most employers, even those who already have transportation support in place, can do more to ensure the safety of their workforce's transportation options. One female employee in the banking and finance sector reflected, *“Since we could not work from home, it is better if the company at least provides us with proper and safe transportation. We don't want to risk our children's and beloved ones' lives.”*

While transportation issues may have eased following the lifting of the nationwide curfew, these findings indicate that most employers, even those who already have transportation support in place, could do more to ensure the safety of their workforce's transportation options. IFC's forthcoming study on women in the ride-hailing sector identifies ride-hailing as one option for providing safe employer-supported transport that companies could explore in this context.

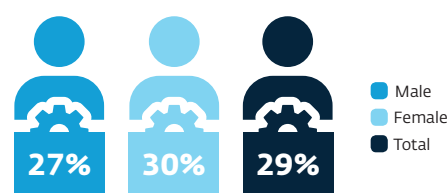
During the pandemic, it was widely reported that there was an increased risk of bullying and harassment, including increased client aggression.

Among survey participants, the majority reported

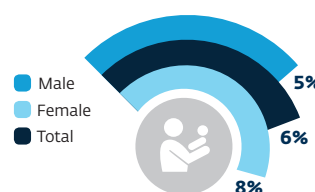
### Transportation to and from work



### Flexibility to manage work and home responsibilities



### Childcare support



no change in the level of respectful behavior by customers/clients or colleagues, and almost one-quarter (23 percent) reported increased respectful behavior. Just over one in 20 workers reported customers or clients being less respectful towards them, and four percent of women and five percent of men reported colleagues were less respectful towards them (Box 2).

Six of the companies surveyed have already taken action to address client aggression, and 11 have conducted training on workplace bullying and harassment. One company plans to take action in both of these areas within the next three months. However, any policies and procedures that businesses have implemented to respond to harassment and abuse in their workplaces were developed in a pre-COVID-19 era. These may not translate well in the current context where employees may feel more inclined to tolerate abusive behavior, and where they may have fewer opportunities to connect with key business personnel who would normally be their primary contact for discussing disrespectful behaviors that occur at work. They also may not adequately address online and cyberbullying and harassment.

## Box 2. Impact of COVID-19 on Respectful Workplace Behavior

In a recent IFC study, across three companies in Sri Lanka, there was a consistent concern among managers that bullying and sexual harassment are not widely or consistently understood by employees. This suggests that the low levels of reporting among this COVID-19 study may reflect the generally low understanding of the types of behaviors that constitute disrespectful behavior. Even among managers, the Respectful Workplaces study indicates they may not be fully aware of the extent of the problem or the severity of the impacts of bullying behaviors in the workplace. They talk about 'normal bullying' and 'teasing'. There is a suggestion that bullying could be 'an incompatibility of different ideas that is simply not managed well'.

Some of those employees in the Respectful Workplaces study linked the increased risk of bullying or harassment directly to increased workloads. Not being able to keep up with the amount of work may offer an opportunity for bullying. And both managers and employees are concerned that managers, who also have increased workloads, now have less time to pay attention to the needs of their staff. There was a view that managers have not received adequate training, and therefore, don't know how to manage harassment alongside making profit.

Employees and managers generally recognize that there are new risks associated with doing more work online and remotely. They identify that sexual harassment could be done through video calls, audio calls, and emails. But there is a gap in their knowledge about how this risk could be addressed. Some employees raised concerns about how a remote work situation might make it difficult for people to report incidents, and wonder if their employers are considering this and updating reporting procedures accordingly. Managers, too, appear to be unsure about how to manage the risks of online harassment.

Participants in the study generally agreed that some key risk factors for bullying and sexual harassment are being a woman, being young, and being a worker who has migrated to Colombo from a rural area. They also identify customer-facing roles as placing workers more at risk than office-based roles.

Employees and managers also reflected that these behaviors negatively affect the business, and that incidents can affect the mental wellbeing of a person and their ability to participate fully in the workforce.

Source: IFC Forthcoming. *Respectful Workplaces and COVID-19*.

## Benefits of Existing HR Policies During COVID-19

Most companies reported that staff engagement and communications were the most useful tools in terms of managing human resources during COVID-19 (Figure 18). This finding was largely supported by employee feedback, with over nine out of ten respondents reporting that their company's communication about COVID-19 and the associated impacts on their employment, and the business was highly (65 percent) or somewhat (29 percent) effective. Almost three-quarters of workers received updates via newsletters or other email channels (71 percent) or through text messages or other phone related channels (71 percent), and almost two-thirds received information through online or face-to-face team discussions (61 percent). Around one-third of staff accessed online resources provided by their employer.

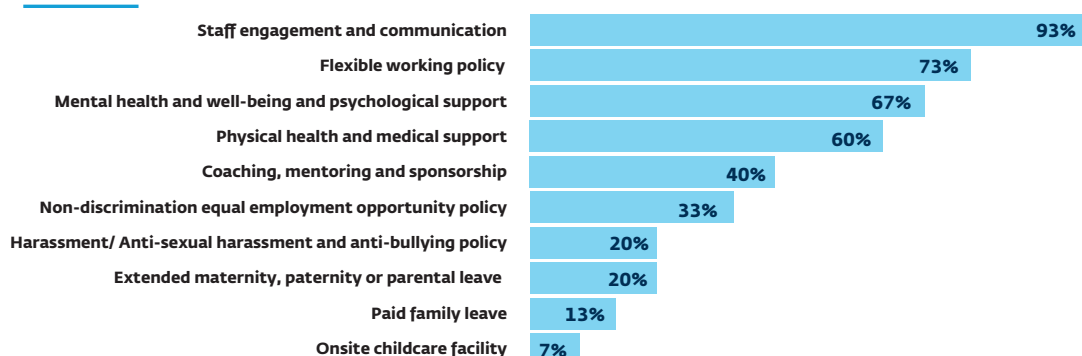
Almost three-quarters of firms reported that their flexible work policy was one of the most useful policies for managing human resources during COVID-19, yet 30 percent of women and 27 percent of men reported concerns about having the flexibility to manage work and home responsibilities upon returning to the

workplace. Two-thirds of those employees who reported concerns about flexibility are employed by companies who identified flexibility as one of the most useful policies. This indicates that while most companies have flexible working policies in place, more needs to be done to ensure staff can effectively access these benefits in the way that best suits their needs.

Mental health, wellbeing, and psychological counseling support (67 percent), along with physical health and medical support (60 percent), were also recognized as highly valuable policies during COVID-19. Staff reflected that having the support of their managers helped to deal with stress and other mental health challenges, as reflected by a female employee from the conglomerate sector. *"We had to work more hours because there were fewer employees in the workplace. With the workload, most of us were depressed. But our senior staff members always cared about us, and they were continuously worried about our safety and the security at that time,"* she said.

Figure 18

## Company Policies that Were Most Useful for Managing Employees During COVID-19



Companies surveyed offered a range of new benefits to help staff manage the impacts of COVID-19 (Figure 18). These included:

- Almost all companies have already provided staff with online training (87 percent) or plan to do so within the next three months (seven percent).
- Two-thirds of companies provided psychological or counseling information and support.
- Two-thirds of companies provided additional non-monetary benefits to staff, such as the provision of food, medicine or other basic supplies, while one third of companies provided additional monetary benefits to staff, including salary advances, short-term or low or no-interest loans.
- Sixty percent of companies permanently re-deployed staff, and an additional 13 percent plan to do so within the next three months.
- Just over one-quarter of companies provided allowances to staff to cover costs associated with home-based work, with an additional one-third planning to do so in the next three months.
- One-fifth of companies provided childcare support to staff.
- Most companies offered some form of additional paid leave in certain COVID-19 related situations. This included:
  - Almost all (87 percent) reported that they provide staff with paid leave in the case of COVID-19 related illness or quarantine.
  - Two-thirds provide paid family leave to care for family or household members.
  - Three-quarters of companies provide extended paid maternity leave for pregnant and nursing women, and almost half (47 percent) provided paternity leave.

## Building Resilience

### Human Resources Management

When asked what type of additional support would be most helpful for people management in the context of COVID-19, the following were the areas which were identified by companies as the most useful.

- Counseling and other mental health and wellbeing during COVID-19 (87 percent).
- Communications strategy and awareness-raising for employees related to COVID-19 (80 percent).
- Policy development, such as home-based and flexible work, or respectful workplace policies (73 percent within the next three months, seven percent within the next 12 months).
- Refresher training or upskilling training for employees (74 percent).
- Health care information for employees, including information on insurance coverage, and plans and guidance on pay and benefits (63 percent).
- Conducting employee diagnostics or an employee needs assessment and upgrades in digital office infrastructure, and staff skills for remote work (60 percent respectively).
- Advice on staff-redeployment and childcare support (53 percent).

“

Increased flexibility was the number one way workers felt employers could help staff manage work and home responsibilities

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### Supporting Workers

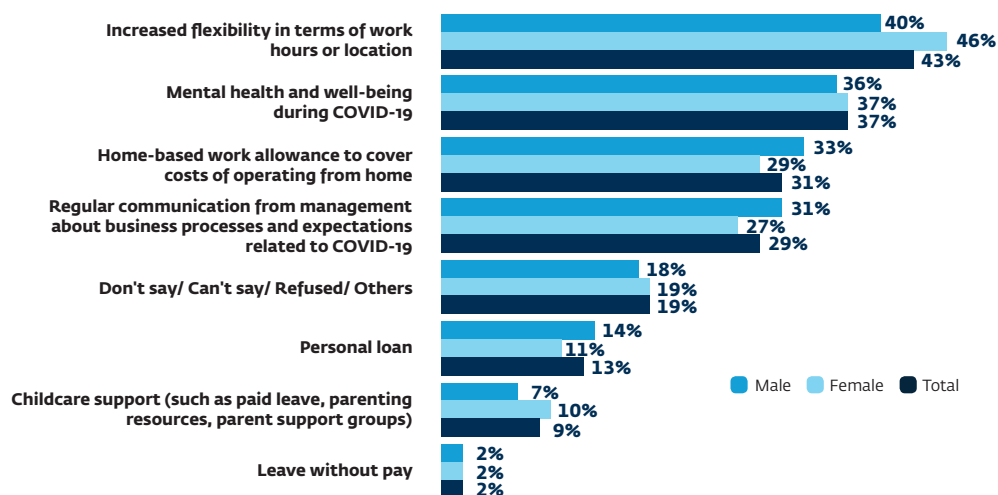
Workers identified a range of additional ways in which their employers could help support them to balance work and home responsibilities during COVID-19 (Figure 19). Increased flexibility was the number one way workers felt employers could help staff manage work and home responsibilities, with women more likely to request this than men.

Over one-third (37 percent) of all respondents also

identified mental health and wellbeing resources as a key area where support is needed. The next most requested area of support was a home-based work allowance to cover the costs of operating from home (31 percent), followed by regular communication from management about business processes and expectations related to COVID-19 (29 percent).

Figure 19

## Support Identified as Most Helpful by Employees for Managing Work and Home Responsibilities During COVID-19



In addition to support by employers, there is also an important role for public policy in ensuring all Sri Lankans – those still employed, those who have lost their employment, and those outside the formal

workforce – are supported throughout the COVID-19 pandemic, and during the recovery phase. Box 3 outlines some potential avenues for support in this area.

### Box 3. Social Protection Measures to Help Minimize the Economic Impact of COVID-19

Sri Lanka is at risk of a deep economic recession as a result of COVID-19, potentially leading to a fall of up to 6.7 percent of GDP, with significant negative repercussions for individual and family well-being. With limited provision of social protection support, large segments of society are vulnerable during this crisis. This is true for those in the formal economy as well as the informal, particularly as many in the former are losing their primary source of income or having hours and incomes reduced. While the initial responses by the Government of Sri Lanka reached a large percentage of the population, more needs to be done, especially as the crisis continues for longer than expected. It is especially important that measures are put in place to protect informal workers, who do not benefit from employer-based protections.

The government responded by providing emergency cash transfers to welfare program beneficiaries and others identified as 'vulnerable' during the lockdown in April and May. UNICEF estimates that these transfers reached 47 percent of households (UNICEF 2020a). However, the amount provided was only 7.3 percent of consumption (15–20 percent for the poorest quintile), and these transfers ceased once the lockdown ended (UNICEF 2020b). A more sustainable approach would be to provide a universal social protection 'floor', targeted normally to only the poor, but allowing other households that have lost their incomes to rapidly register and receive temporary financial support. Doing so would ensure the poorest members of society would be in a better position than before the crisis, while those on middle incomes would have a high proportion of their lost income restored. The same mechanism would be useful in helping households affected by other types of disasters as well, such as floods and drought. This type of scheme, in addition to being strongly pro-poor, would also help to mitigate income losses across all types of occupations, in both the formal and informal economy. This universal type approach has been advocated for at the global level by the IMF, the World Bank, and the United Nations.

Source: United Nations Sri Lanka, June 2020. Tackling the COVID-19 economic crisis in Sri Lanka: Providing universal, lifecycle social protection transfers to protect lives and bolster economic recovery.

UNICEF 2020a. Sri Lanka's Initial Social Protection Response To COVID-19: An Analysis of Winners and Losers. UNICEF Sri Lanka Policy Brief April 2020/01.

UNICEF 2020b. An Assessment of the Value of the COVID-19 Support to Sri Lankan Households. UNICEF Sri Lanka Policy Brief April 2020/02.

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## IFC Women in Work Program

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October 2020



*Creating Markets, Creating Opportunities*

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