



HOW MUCH IS AN EMPLOYEE WILLING TO PAY FOR AN ON-SITE CHILDCARE FACILITY? A STUDY BASED ON THREE APPAREL FIRMS IN SRI LANKA

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Abstract

Economic changes in Sri Lanka have contributed to an increase in women's labour participation. Sri Lankan apparel industry is a women-dominated industry which gives a high contribution to the Sri Lankan economy. However, childcare has become a challenge for women's labour participation. Some firms in the apparel industry have implemented on-site childcare centers to overcome this problem. This study has used the open-ended contingent valuation method and regression analysis to evaluate employees' willingness towards the childcare facility. The study aims to measure how much an employee is willing to pay for an on-site childcare facility and to evaluate the factors affecting the willingness of employees towards the childcare facility. For this study, from a population of 2500, data was collected from 300 participants of three apparel firms through a survey-based questionnaire. The analytical software, STATA, was used for the analysis. Results illustrate that the mean willingness to pay is Rs. 1919.28 and Rs. 1657.93 per month in the two firms which do not have an on-site childcare facility. The mean willingness to pay in the firm, which has the childcare center, is substantially higher than the other two firms. It is Rs. 3750.34 per month. It indicates that the employees who have already received the facility have a higher preference for the facility. The data of the study depicts that an employee is willing to pay a higher amount when there is a higher preference for the facility. The newly hired employees in all three firms have a higher preference towards the childcare facility than the not newly hired employees. Moreover, the monthly income of employees has a negative relationship with the willingness to pay. 86.36% of the surveyed employees have a preference for implementing childcare facilities. Therefore, investing to render the childcare service will help to increase women's labour participation.

Keywords: Women employment, On-site childcare, Willingness to pay