

Answering the Call

A Qualitative Study Exploring Women's Underrepresentation in the Sri Lankan BPO Sector from an Institutional Perspective

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Answering the Call

Abstract:

Sri Lanka continues to exhibit a notable gender gap in labor force participation, prompting considerable scholarly attention into the factors sustaining it. Contributing to this field of inquiry, this qualitative study explores the institutional factors behind women's underrepresentation in one of the country's fastest-growing industries: the Business Process Outsourcing (BPO) sector. The empirical material, encompassing 31 semi-structured interviews with BPO representatives and external experts, has been analyzed from the lens of institutional theory to identify both formal and informal institutions relevant to the research question. The findings point to two key formal barriers: legal constraints and weak support systems. Additionally, four informal institutional factors emerge: traditional gender roles, social stigma, workplace bias, and client expectations. To capture how firm-level strategies and priorities mediate the influence of these institutions, the analytical framework is extended to incorporate the concept of organizational discretion. In particular, the findings suggest that firms' cost-benefit considerations and perceptions of weak regulatory enforcement are critical in shaping gendered outcomes. Together, these institutional and organizational dynamics give rise to three overarching patterns that help explain women's underrepresentation in the BPO sector: conditioned work preferences, a weak business case for hiring women, and reluctance toward night work. This study contributes to the literature in two key ways. First, it offers a sector-specific perspective on the barriers to female labor force participation in a highly relevant yet underexplored context. Second, it is among the first to combine institutional theory with the concept of organizational discretion in this area. Finally, the study provides practical insights for a wide range of stakeholders, including BPO firms, policymakers, industry associations, and broader society. It suggests that formal reforms must align with business incentives, be supported by effective enforcement, and – perhaps most importantly – be accompanied by broader cultural change to enact lasting impact.

Keywords:

Women, Institutions, Organizational Discretion, Business Process Outsourcing, Sri Lanka

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Clara & Stella

Stockholm, May 11th, 2025

Definitions

Business Process Outsourcing

The practice of assigning routine business functions to an external service provider rather than managing them in-house

Institutions

Socially constructed constraints that shape interactions and cognition

Formal Institutions

Institutions that are codified, such as laws, regulations, and policies

Informal Institutions

Institutions that are unwritten, such as cultural norms, traditions, and customs

Organizational Discretion

The ability of firms to interpret and respond to institutional pressures based on their own strategic interests and priorities

Gendered Institutions

Institutions that systematically differentiate between men and women, resulting in unequal expectations, opportunities, and outcomes

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1. Introduction

1.1 Background

Gender equality has increasingly been acknowledged not only as a fundamental human right (Dhar, 2018) but also as a key engine of economic growth and productivity (International Finance Corporation [IFC], 2013). A central component in realizing this potential lies in closing the gender gap in labor force participation. Yet many countries continue to underutilize women's contributions to the economy, thereby missing out on significant benefits (Sayeh et al., 2023). Sri Lanka is one such example. Despite notable progress in gender equality in education and health (International Monetary Fund [IMF], 2018), these advancements have not translated into higher female labor force participation (Solotaroff et al., 2020, p. 1). As of 2024, only 32 per cent of women in Sri Lanka were part of the labor force, compared to 70 per cent of men (World Bank Group, 2025). This gap has puzzled many scholars and continues to drive research into the factors sustaining it (International Labour Organization [ILO], 2016).

This study contributes to that body of inquiry by examining women's underrepresentation in Sri Lanka's Business Process Outsourcing (BPO) sector – a context that has not previously been studied in this regard. BPO involves outsourcing routine business functions to external service providers instead of handling them internally (Sage, n.d.). Over time, the BPO sector has evolved into a significant contributor to Sri Lanka's economy, currently being the country's fifth-largest export sector and playing an increasingly important role in both revenue generation and employment (Sandaruwan & Luka, 2024). In addition to its rapid expansion, the BPO sector is marked by several distinct characteristics: it operates within a highly globalized environment (Ghodeswar & Vaidyanathan, 2008), relies on non-standard working hours to serve international clients (Alwis & Jayawardana, 2023), and is governed by its own set of legal frameworks (Parliament of Sri Lanka, 2024). These characteristics set BPO apart from the broader labor market and suggest that studies on women's representation in Sri Lanka's general workforce (e.g., Solotaroff et al, 2020; Chowdhury, 2013) may not adequately capture the industry-specific factors at play. Accordingly, a focused study of the BPO sector is both timely and necessary to understand whether this fast-growing industry can serve as a viable pathway for addressing Sri Lanka's persistent gender gap in labor force participation.

To examine these dynamics, this study draws on institutional theory. Although prior research acknowledges the role of institutions in shaping women's labor force participation (e.g., Aslim et al., 2021; Jaumotte, 2003), few studies apply institutional theory explicitly. According to North (1990, p. 3), institutions are the socially constructed constraints that shape interactions and cognition. These can be both formal – such as laws, regulations and policy measures (North, 1990, p. 47) – and informal, including cultural norms, traditions, and customs (North, 1990, p. 6). Although informal institutions have historically received less scholarly attention than formal ones (Dau et al., 2022; Hodgson, 2025), they are particularly relevant to this study's context, as cultural norms and societal expectations continue to exert powerful influence in Sri Lanka (Ramasamy, 2020). Furthermore, research suggests that formal and informal institutions interact rather than operate in isolation, with the effectiveness of formal rules often contingent on their compatibility with

prevailing informal norms (e.g., Aparicio et al., 2022; Chacar et al., 2010; Cumming et al., 2017). Taken together, this supports the importance of analyzing both formal and informal institutional dimensions to develop a comprehensive understanding of women's underrepresentation in the BPO sector.

A key consideration in this study is the critique of institutional theory for overlooking how firms' strategic interests and internal priorities mediate institutional pressures (Clark et al., 2021; Suddaby et al., 2013). Institutions are not blindly adhered to; rather, they are interpreted, negotiated, and enacted through organizational lenses, meaning that they may not always produce their intended outcomes (Scott, 2013). To address this critique, the study incorporates the concept of organizational discretion into the theoretical framework, allowing for a more multifaceted understanding of how institutions shape women's labor force participation. This perspective has proven valuable in related research, for example, in examining firms' responses to gender quotas on corporate boards (Gregorič et al., 2017), which inspired its application in the present study.

In sum, this study makes two key contributions to the literature. First, it addresses a knowledge gap by investigating the factors behind women's underrepresentation specifically within Sri Lanka's BPO sector – a context that has, to the best of the authors' knowledge, received limited scholarly attention to date. Second, it is among the earliest works to integrate institutional theory with the concept of organizational discretion in exploring female labor force participation. By delving into how institutional structures interact with firm-level strategies, the study offers a nuanced understanding of the barriers limiting women's involvement in this rapidly expanding industry.

1.2 Purpose and Research Question

This study aims to contribute to the growing body of research on Sri Lanka's gender gap in labor force participation by focusing on a rapidly expanding yet understudied industry. Specifically, it examines the institutional factors driving women's underrepresentation in the country's BPO sector, highlighting how formal and informal institutions interact with firm-level strategies and priorities. Given Sri Lanka's persistently low female labor force participation rate (IMF, 2018), alongside the increasing importance of the BPO sector in the national economy (Sandaruwan & Luka, 2024), a closer examination of the institutions shaping women's representation in this field is both timely and necessary. The findings can illuminate whether the sector presents new opportunities for women or reinforces existing inequalities, thereby informing both policy and organizational reform. Drawing on in-depth interviews, this qualitative study seeks to answer the following research question:

How can women's underrepresentation in the Sri Lankan BPO sector be explained from an institutional perspective?

1.3 Focus and Delimitation

This study analyzes women's underrepresentation in Sri Lanka's BPO sector through an institutional lens. Sri Lanka was selected due to its unique and paradoxical context: despite high rankings in gender equality in education and health (IMF, 2018), it shows a significant gender gap in labor force participation (World Bank Group, 2025).

The BPO sector is examined independently from the broader labor market due to its distinctive characteristics. As the fastest-growing industry in the Sri Lankan economy, it plays an increasingly vital role in employment generation and export revenue (Sandaruwan & Luka, 2024), justifying sector-specific attention. Moreover, features such as strong global integration (Ghodeswar & Vaidyanathan, 2008), non-standard working hours (Alwis & Jayawardana, 2023), and sector-specific regulations (Parliament of Sri Lanka, 2024) suggest that broader findings on gender disparities may not be fully applicable to the BPO sector. These factors reinforce the need for a focused, sector-level analysis of women's underrepresentation.

The study is limited to binary gender categories, as defined by national labor statistics. Class, ethnicity, religion and geographic variation are not included due to time and resource constraints.

2. Literature Review

This section discusses academic work about the influence of institutions on women's participation in the labor market. Accordingly, it is structured around two subcategories: (1) Formal Institutions and Women's Representation in the Labor Market, and (2) Informal Institutions and Women's Representation in the Labor Market.

2.1 Formal Institutions and Women's Representation in the Labor Market

A considerable line of research examines the influence of formal institutions – such as laws, regulations, and policies – on women's labor force participation. This work has been particularly active in two areas: (1) the legal treatment of women and (2) the availability of supportive policies.

First, research investigates how the legal treatment of women influences their economic participation. Historically, labor laws restricting women's working hours were introduced to protect women from risks such as nighttime violence (Zveglic & van der Meulen, 2003). However, these protective measures often backfired by limiting women's access to formal employment, in turn prompting firms to substitute away from female labor (ibid.). Consequently, research suggests that reducing legal disparities between men and women can lead to improved labor market outcomes, with both Hyland et al. (2020) and Sever (2022) finding a positive relationship between gender-equal legislation and women's workforce participation across global samples.

This aligns with research on Sri Lanka's low female labor force participation, which identifies restrictions on night and overtime work as key legal barriers to women's employment (Lakhtakia et al., 2024). However, recent reforms have lifted these restrictions specifically for the BPO sector (Parliament of Sri Lanka, 2024), potentially signaling a shift toward more favorable labor market conditions for women, as suggested by Hyland et al. (2020) and Sever (2022). The BPO sector, therefore, presents a compelling case for examining the effects of regulatory change on gendered labor outcomes.

Second, research explores how supportive policies – such as maternity leave and childcare services – influences women's workforce participation. Adams and Kirchmaier (2012) suggest that the more family-friendly a country is in providing such policies, the easier it is for women to balance paid work with family responsibilities, thereby lowering the risk of labor force drop-out. Maternity leave and childcare services will now be discussed separately to capture the specific implications of each.

Maternity leave policies are intended to support women's continued employment in roles they might otherwise have to leave due to caregiving responsibilities (Aslim et al., 2021), though their effectiveness varies. Several quantitative studies have found a positive link between maternity leave policies and female labor force participation, both in developed OECD countries and developing ones such as Sri Lanka (e.g., Aslim et al., 2021; Jaumotte, 2003; Ruhm, 1998; Zveglic & van der Meulen, 2003). However, scholars also

note that when maternity benefits are financed by employers, they may act as an implicit tax on hiring women, prompting firms to lower women's wages or prefer male candidates (Zveglic & van der Meulen, 2003). Given the double-edged nature of maternity leave policies, it is relevant to examine how Sri Lanka's mandate of 84 days of paid maternity leave (Solotaroff et al., 2020, p. 99) influences women's participation in the BPO sector.

Furthermore, research has consistently shown that when affordable and reliable childcare services are available, women are more likely to remain in or return to the workforce, as such services help balance work and family responsibilities (e.g., Chevalier & Viitanen, 2002; Connelly, 1992; Halim et al., 2019). For instance, Halim et al. (2019) found that expanding access to public preschools in Indonesia led to a significant increase in women's labor force participation, whereas access to private preschools had a comparatively weaker impact. The relevance of accessible, well-regulated childcare is echoed in Sri Lanka's labor market discourse, where its absence is repeatedly identified as a major barrier to women's participation in formal employment (Solotaroff et al., 2020, p. 36).

2.2 Informal Institutions and Women's Representation in the Labor Market

Shifting the focus to informal institutions – such as unwritten cultural norms, traditions, and customs – two key areas emerge as particularly prominent in the literature on women's representation in the labor market: (1) traditional gender roles and social expectations, and (2) unfavorable perceptions of female workers.

First, a recurring theme in the literature is the role of traditional gender roles and social expectations in shaping women's occupational choices. In many countries – including Sri Lanka (Alwis & Jayawardana, 2023; Gunewardena, 2015) – deeply rooted gender and cultural norms continue to place the burden of household chores, childcare, and elder care primarily on women, while their male counterparts are largely exempt from such responsibilities. According to Solotaroff et al. (2020, p. 33), this uneven division of labor constitutes one of the greatest barriers to women's participation in the Sri Lankan workforce, resulting in what is often referred to as “time poverty.”

These dynamics are also reflected in the BPO literature, where gender and cultural norms are frequently identified as factors driving differential experiences for men and women. For instance, a qualitative study on Sri Lanka by Alwis and Jayawardana (2023) found that women are adversely affected by the sector's time zone-dependent schedules and frequent night shifts. These working conditions often reinforce the double burden, as gender norms expect women to resume caregiving and household responsibilities during the day after completing night work. Consequently, women's work preferences may differ from those of men. Supporting this, a qualitative study from the Philippines by Guino-o et al. (2023) found that women in the BPO sector place particular value on remote work opportunities, which offer greater flexibility to manage both paid employment and domestic responsibilities.

Beyond shaping work preferences, informal gender norms can also restrict the mobility of female BPO workers. In a case study of India's BPO sector, Patel (2014) found that night shift work not only raises safety concerns for women but also subjects them to social stigma for defying deeply rooted expectations about what constitutes appropriate spaces and behaviors for women, thereby reducing their willingness to participate in the sector.

Second, research examines how workplace gender bias and discrimination affect women's representation in the labor market. Akerlof and Kranton (2010) argue that employers may hold negative perceptions of women as a group, which can restrict their chances of being hired or promoted, contribute to wage disparities, and reinforce patterns of occupational segregation. Such discrimination particularly affects mothers, as cultural expectations surrounding motherhood often conflict with norms associated with the "ideal worker" role. Using a combination of laboratory experiments and audit studies, Correll et al. (2007) demonstrate that mothers are often stereotyped as less competent and less committed to their jobs compared to non-mothers, resulting in additional disadvantages in hiring, promotion, and salary decisions. In contrast, men do not face similar penalties upon becoming fathers and may even benefit professionally from their parental status (*ibid.*). Because of such discrimination, women are often steered toward work and skills development in areas perceived as less demanding or less technical, reinforcing patterns of occupational segregation (Akerlof & Kranton, 2000; Becker, 1975; Goldin, 2006; Halaby, 2003).

Although research highlights that informal institutions are generally more resistant to change than formal ones (North, 1990, p. 6), they are not fixed. Fernández et al. (2004) demonstrate that attitudes toward women's labor market participation can shift across generations, noting that men raised by working mothers are more likely to support female employment. Moreover, a World Bank report (2011) highlights that taken-for-granted norms can shift more rapidly times of significant social or economic upheaval. For instance, during times of conflict or fragility, both men and women may be required to contribute economically, increasing the demand for female labor and creating pressure to relax traditional gender roles. Given Sri Lanka's severe economic crisis in 2022 (Lakhtakia et al., 2024), the country offers a timely and relevant context for revisiting how periods of upheaval can reshape informal gender norms. It also underscores the urgency of updating existing research on barriers to women's labor force participation – much of which was conducted before the crisis and may no longer reflect current realities.

3. Theoretical Framework

This study seeks to deepen the understanding of the factors underlying women's underrepresentation in Sri Lanka's BPO sector by drawing on institutional theory. Recent scholarship has employed this framework to examine women's participation in various professional domains, including corporate boards (Clark et al., 2021), entrepreneurial activities (Chowdhury & Audretsch, 2014), and politics (Madsen, 2019). Building on this body of work, this study argues that institutional theory may be equally valuable for analyzing women's representation in Sri Lanka's BPO sector. The focus is on gendered institutions, those that affect women differently from men, often to the disadvantage of the former (Mabsout & van Staveren, 2010; Pathak, 2013, van Staveren & Odebo, 2007). Additionally, the study incorporates the concept of organizational discretion, acknowledging that institutional outcomes are shaped by how organizations interpret and enact them in accordance with their own strategies and priorities (Clark et al., 2021; Gregorič et al., 2017).

3.1 Institutional Theory and Institutions

Institutional theory is widely used in organizational and management literature for its ability to explain the behavior of both individuals and organizations (Greenwood et al., 2008; Dacin et al., 2002). North (1990) defines institutions as “the rules of the game in a society,” referring to socially constructed constraints that shape interactions and ways of thinking (p. 3). These institutions are typically categorized as either formal or informal. Formal institutions include explicit rules, such as laws, regulations, and policies (ibid., p. 47), while informal institutions refer to unwritten cultural norms, traditions, and customs (ibid., p. 6). Informal institutions are often more deeply embedded in society and can exert a stronger influence than formal rules (Eesley et al., 2012), particularly in developing countries like Sri Lanka where formal institutions are weak or inconsistently enforced (Ramasamy, 2020). Hence, although informal institutions have historically received less scholarly attention than their formal counterparts (Dau et al., 2022; Hodgson, 2025), this study examines how both formal and informal institutions contribute to women's underrepresentation in Sri Lanka's BPO sector. While the boundary between formal and informal institutions is not always clear-cut (Hodgson, 2025), this study defines labor laws, maternity leave provisions, and state-regulated childcare as formal institutions, whereas gender biases, social stigma, and unwritten client expectations are classified as informal institutions.

Importantly, scholars (e.g., Aparicio et al., 2022; Chacar et al., 2010; Cumming et al., 2017) emphasize that formal and informal institutions do not operate in isolation but interact in ways that may reinforce or undermine each other. For instance, while formal rules are generally easier to change (Eesley et al., 2012; North, 1990, p. 6), their effectiveness often depends on alignment with prevailing informal norms and practices, which often play a more dominant role in everyday interactions (North, 1990, p. 36). This interplay helps explain why identical formal reforms can produce vastly different outcomes across contexts. Accordingly, this study considers not only the individual effects of formal and informal institutions but also how they interact to shape women's participation in Sri Lanka's BPO sector.

3.2 Theory Discussion and Modifications

3.2.1 Gendered Institutions

Institutional theory has been criticized for its gender-blindness, assuming that institutions affect everyone equally (Acker, 1992; Mackay et al., 2010). In response, the concept of gendered institutions has emerged, referring to institutions that systematically differentiate between men and women, generating distinct expectations and outcomes for each (Mabsout & van Staveren, 2010; Pathak, 2013; van Staveren & Odebode, 2007). Such institutions tend to limit women's opportunities while privileging men as a group (ibid). Like institutions more broadly, gendered institutions can be either formal – such as labor laws or maternity policies – or informal, including gender norms and traditional practices (Mabsout & van Staveren, 2010; Wu & Li, 2019).

Acknowledging this critique, the authors recognize the need to apply a gender-sensitive lens to institutional theory. This study distinguishes between institutions that affect men and women symmetrically and those that have asymmetric, gendered impacts, focusing on the latter. A key challenge in making this distinction is the absence of clear criteria in the existing literature for identifying gendered institutions. To address this, the analysis relies on interviewees' experiences and perceptions to evaluate whether specific institutions are seen as affecting men and women differently. Only those perceived as gendered are included, in line with the theoretical concept.

3.2.2 Organizational Discretion

Furthermore, recent scholarship has increasingly recognized the limitations of relying solely on institutional theory to explain how and why particular outcomes materialize, emphasizing the importance of incorporating the role of organizational discretion into such analyses (Clark et al., 2021; Gregorič et al., 2017). These studies argue that organizations do not passively conform to institutional pressures; rather, they actively interpret, negotiate, and respond to them in ways that align with their strategic interests and priorities. If institutional conformity is viewed as too costly or misaligned with organizational goals, firms may opt to avoid or actively resist such pressures (Clark et al., 2021). Hence, outcomes emerge through an interplay between institutional forces and organizational discretion (Scott, 2013).

Oliver (1991) outlines five dimensions for analyzing the likelihood that organizations will conform to institutional demands: *Cause*, *Constituents*, *Content*, *Control*, and *Context*. *Cause* refers to the underlying rationale behind the demand – organizations are more likely to conform if they perceive reputational or economic benefits. *Constituents* relate to the actors exerting pressure and the organization's dependence on them – higher dependence increases the incentive to comply. *Content* concerns the alignment between institutional demands and organizational goals, as well as the degree to which these demands limit managerial autonomy – conformity is more likely when alignment is strong, and autonomy preserved. *Control* addresses enforcement mechanisms, noting that legal mandates and the threat of sanctions are more effective than informal pressures. Finally, *Context* considers the broader institutional environment, with

organizations more likely to comply in conditions of uncertainty or when embedded in dense networks, such as industry associations.

Gregorič et al. (2017) applied this framework in a quantitative study of Nordic firms' responses to board gender quotas, finding that a strong preference for established practices hindered female representation and undermined the impact of formal reforms – reflecting Oliver's (1991) *Content* dimension. Building on this, the present study argues that incorporating organizational discretion similarly offers valuable insights into the factors constraining women's participation in Sri Lanka's BPO sector. Where institutional theory alone falls short, the analysis draws on Oliver's five dimensions to examine the role of organizational discretion in shaping these outcomes. In doing so, this study also responds to Acker's (1992) call to focus on organizational practices as key sites in the creation and reproduction of gendered institutions.

In summary, this merged framework of institutional theory, gendered institutions, and organizational discretion serves as the study's analytical foundation for investigating women's underrepresentation in the BPO sector (see Figure 1). In doing so, this study marks one of the first efforts to connect these three strands of theory in the context of female labor force participation.

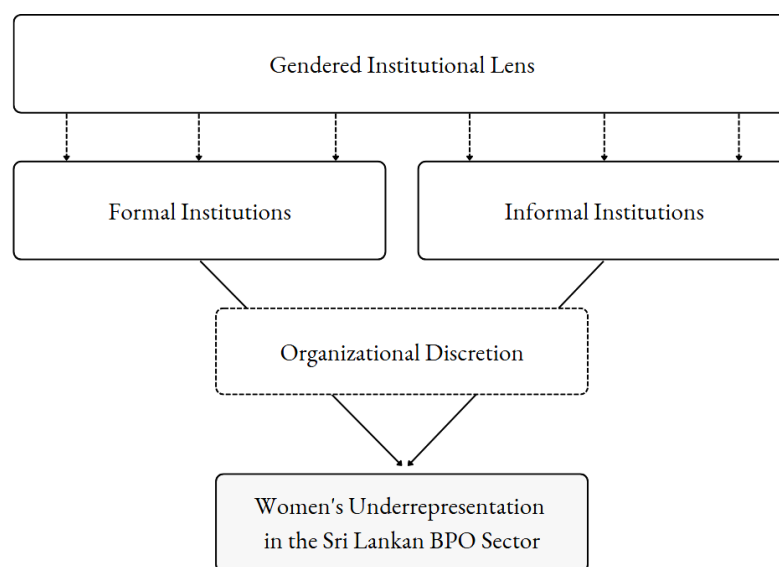


Figure 1
Overview of Modified Theoretical Framework (Björnum & Karlsson, 2025)

4. Methodology

4.1 Research Paradigm

This study adopts a social constructionist ontological stance, which holds that social phenomena do not exist independently of human interpretation but are continually constructed through interactions between social actors (Bell et al., 2022, pp. 27–28). Accordingly, the research aims to understand how institutions shaping women's underrepresentation in the BPO sector are made real through the meanings and actions of individuals, rather than treating these structures as objective or externally given (ibid). Consistent with this ontological position, the study follows an interpretivist epistemological approach, which emphasizes the importance of understanding the subjective experiences and meanings that individuals assign to social phenomena as a basis for knowledge (Saunders et al., 2023, p. 150).

4.2 Research Approach

The research follows an abductive approach, combining deductive and inductive reasoning (Saunders et al., 2023, p. 158; Bell et al., 2022, p. 25). Institutional theory served as the initial analytical lens, guiding the identification of early themes during data collection. However, as the analysis progressed, it became clear that institutional theory alone could not fully explain all emerging patterns. In response, the theoretical framework was extended to include the concept of organizational discretion. Ultimately, this abductive strategy enabled the study to remain theoretically grounded while remaining open to empirical insights that the initial framework could not adequately account for.

4.3 Research Design

Given the socially constructed nature of institutions and the need to understand the subjective meanings individuals assign to them, a qualitative research design was considered most appropriate (Bell et al., 2022, pp. 30–31). Accordingly, empirical data was collected through semi-structured, in-depth interviews, combining predetermined, open-ended questions with flexibility to explore themes emerging from participants' responses (Saunders et al., 2023, p. 444). This approach allowed the authors to capture the complexity and depth of personal narratives, which might be lost through quantitative methods such as questionnaires (Saunders et al., 2023, p. 653; Verhoef & Casebeer, 1997). Such quantitative methods are more suited to research grounded in positivist assumptions, where findings are expected to be objective and generalizable – contrasting with the interpretivist orientation underpinning this study (Saunders et al., 2023, p. 135).

4.4 Data Collection

4.4.1 Sampling Strategy

The study primarily employed purposeful sampling (Palinkas et al., 2015), selecting participants based on their knowledge of Sri Lanka's BPO sector. In some cases, however, participants were unavailable or referred others with greater insight, resulting in a combination of purposeful and chain-referral sampling (Simkus, 2023). The final sample comprised 24 interviews across nine BPO companies, representing a broad range of hierarchical levels, functional roles, age groups, and genders (see Appendix 1). To further enrich the analysis, the authors' conducted seven additional interviews with external specialists involved in policy-related initiatives, such as industry associations, think tanks, and NGOs. These specialists could provide informed perspectives on the broader societal challenges facing women in the BPO sector, complementing the internal BPO participants whose insights reflected how these challenges manifest at the individual and organizational level.

Initial outreach was conducted via email to general inquiry addresses. However, due to a limited response rate, the contact strategy was expanded to include LinkedIn, targeting both company pages and associated members (see Appendix 3). Once contact was established, further details were shared via email (see Appendix 4). As interviews were scheduled on a rolling basis, parallel to ongoing outreach efforts, the authors were able to make targeted requests to ensure a more balanced sample – for example, by actively seeking more women in senior positions when these were underrepresented in the emerging sample. Despite these efforts, the final composition reflects male dominance in senior roles and a female majority in entry-level and HR positions. While this may be seen as a limitation, it closely mirrors the gendered division of labor within the BPO sector and, as such, the findings can still be considered representative of the workforce.

4.4.2 Interview Process

Interviews were conducted either in person or online depending on the interviewee's preference, ensuring that discomfort with a particular format would not discourage participation. Interview guides were sent to participants in advance to keep the discussion focused on topics related to the research question (Jamshed, 2014), while still allowing flexibility to follow up on new issues raised (Saunders et al., 2023, p. 444). For participants from BPO companies, the guides were tailored to their hierarchical level and functional role (see Appendix 5). External specialists – such as those from think tanks, industry associations, and NGOs – received customized guides relevant to their specific expertise and institutional perspective (see Appendix 6). The interviews lasted an average of 34 minutes (see Appendix 2) and were voice-recorded and transcribed with informed consent. This enabled the authors to remain fully engaged with the interviewees rather than distracted by note-taking, thereby improving the quality of the conversation (Dunwoodie et al., 2022). Although participants were offered the option to be interviewed in Sinhalese, all chose to proceed in English.

4.5 Data Analysis

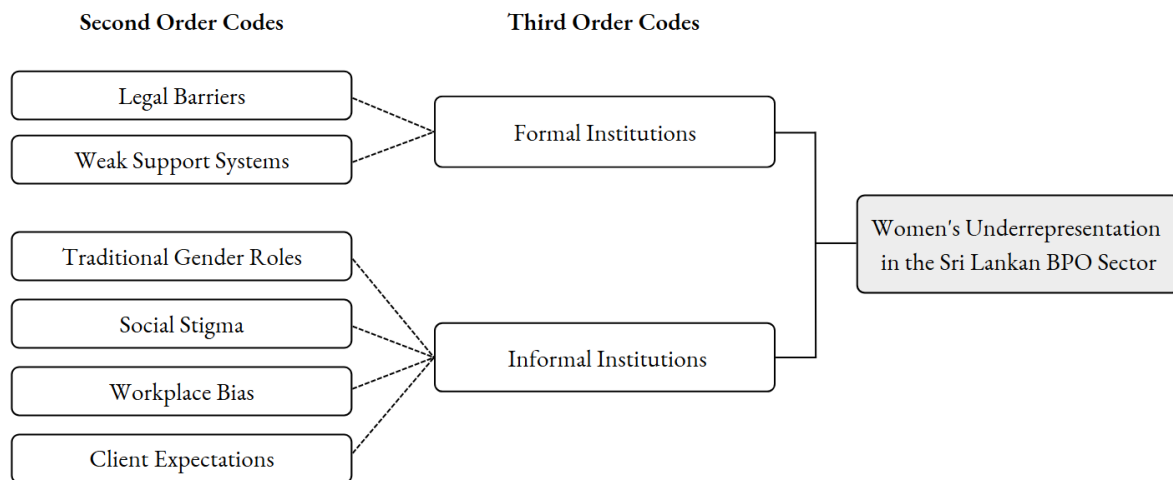


Figure 2

Overview of Second- and Third-Order Codes (Björnum & Karlsson, 2025)

Following the interviews, transcripts were generated using Whisper, a speech recognition tool implemented in Python and executed offline without an API to prevent data leakage. The authors then reviewed the transcripts while simultaneously listening to the audio recordings to ensure accuracy and build familiarity with the material (Thompson, 2022; Saunders et al., 2023, p. 665). Some participants had limited English proficiency, and in these cases, their responses were minimally refined after transcription to ensure clarity while preserving the intended meaning.

Both authors manually coded the empirical data following a thematic analysis approach (Williams & Moser, 2019). The process began with open coding to identify a broad range of thematic fragments, followed by axial coding, which refined first-order codes into six categories representing institutional factors influencing women's representation in the BPO sector. Subsequently, selective coding grouped these into two overarching categories – formal and informal institutions – aligned with the theoretical framework. At each stage, the authors compared and discussed their coding decisions to ensure consistency and analytical rigor. The final coding structure provides a systematic overview of how the empirical findings relate to the research question.

4.6 Research Quality

Semi-structured interviews lack the standardization of quantitative methods, raising concerns about reliability and bias (Saunders et al., 2023, p. 452). First, interviewer bias may arise if the authors' beliefs influence how questions are framed or interpreted (ibid., p. 453). To mitigate this, questions were developed in consultation with World Bank professionals specializing in gender and inclusion. Participant bias is also a risk, particularly given the study's focus on sensitive topics such as gender equality and organizational

practices. Respondents may withhold information or provide socially desirable answers due to fear of judgment or professional consequences (ibid.). To address this, participants were assured of confidentiality, and the study was framed as an open exploration of the BPO landscape to avoid imposing predefined expectations.

Furthermore, the relatively low response rate raises the possibility of non-response bias, as those who declined participation may differ in relevant ways from those who took part (Saunders et al., 2023, p. 239). Therefore, the sample was complemented by interviews with external stakeholders who offered broader expertise to capture viewpoints that might otherwise be missed. Lastly, conducting interviews across cultural contexts can affect data reliability (ibid., p. 454). To address this, the authors adopted a culturally reflexive approach, spending time in Sri Lanka to understand the local context prior to data collection. A local World Bank representative also participated in the interviews to support communication and ensure cultural sensitivity.

4.7 Ethical Considerations

Ethical considerations have been carefully addressed throughout the study to protect participant rights. All interviewees were informed of the study's purpose, voluntary nature, and data handling procedures via email and again at the start of each interview. They were also given the opportunity to ask clarifying questions. Participants were required to provide written or verbal consent to Stockholm School of Economics' GDPR form, confirming their participation. They were reminded that they could skip any question or withdraw at any time. To ensure privacy, all identifying information was removed or anonymized. Notes, recordings, and transcripts have been securely stored with access restricted to the research team and will be permanently deleted upon completion of the thesis.

Moreover, ethical considerations extend to the broader implications of this study. As the findings reveal how institutional structures and organizational practices contribute to gender inequality in Sri Lanka's BPO sector, there is a risk of unintentionally reinforcing negative stereotypes about the country. To mitigate this, the authors were mindful in framing quotes and findings, aiming to balance critical analysis with respectful, culturally sensitive representation.

4.8 Use of Artificial Intelligence

Artificial Intelligence, specifically ChatGPT, was used during the research process to refine grammar and enhance the academic tone. It helped present the ideas more clearly and coherently, without altering the content of the research. The study therefore upholds its academic integrity and remains the authors' own work.

5. Empirical Results

The empirical results are categorized into (1) Formal Institutions and (2) Informal Institutions, in accordance with our theoretical framework. These categories are further divided into subcategories based on the second-order codes identified in the thematic analysis.

5.1 Formal Institutions

5.1.1 Legal Barriers

Sri Lanka's labor laws have historically restricted women's ability to work night shifts and overtime (Solotaroff et al., 2020, p. 99). However, last year, restrictions were lifted specifically for the BPO sector through a regulatory amendment to the Shop and Office Act (Parliament of Sri Lanka, 2024). Several interviewees regarded this reform as a positive step toward greater legal gender equality, enabling women to access roles in the BPO sector previously limited to men. As one participant remarked: *"If there's no legal barrier, that means it's always an opportunity for them [women] to work"* (M10).

Nevertheless, almost all participants noted that women remain reluctant to work night shifts due to persistent safety and security concerns. One participant explained:

"There is an act that allows women to work night shifts but mostly why women don't prefer to work at night [...] is the safety and security factor. There is no safe public transportation for women that ensures that they can travel safely to their workstation without any harm." – F1

To address these concerns, the revised Shop and Office Act includes a provision requiring employers to provide safety arrangements, rest facilities, and secure transport for women working night shifts (ibid.). However, several interviewees pointed out that this well-intentioned provision could act as an "implicit tax" on hiring women, thereby discouraging companies from employing female night shift workers and reinforcing existing preferences for male candidates. One participant reflected: *"It's constantly about making the business case. [...] For companies, they need to see the profit in it"* (F30). This line of reasoning was further supported by the cost-sensitive nature characterizing the Sri Lankan BPO sector:

"You need to understand why overseas clients come to Sri Lanka. The biggest factor is not because they like Sri Lanka or they think the Sri Lankans are best or whatever. It's because they want a cost cut." – M11

Another concern raised was that companies may exploit weak enforcement of the revised Shop and Office Act to avoid the additional costs of mandated safety measures. A policy specialist specifically noted that the employer requirements are vaguely defined and lack clear implementation guidelines:

“So, the letter of the law is to provide security, transport and rest. But it's observed in varying degrees of standards and to a very minimum to keep the cost low. [...] So when they say resting facilities, some people just provide a restroom, which is a toilet.” – F31

Consequently, companies may hire women for night shifts while still cutting costs by complying only minimally with safety requirements.

5.1.2 Weak Support Systems

Many interviewees emphasized that while the revised Shop and Office Act marks a step in the right direction, it must be complemented by broader policy measures and institutional support systems to prove effective:

“I think it [the Shop and Office Act] is definitely a step in the right direction. But I don't think that the policy in itself is going to be the sole reason why these things improve. [...] It needs to be complemented by better maternity policies, better childcare policies.” – F14

Participants explained that female BPO workers are currently entitled to 84 days of maternity leave, whereas the public sector offers more generous benefits. Thus, many women prefer government jobs over BPO employment:

“[Women in the public sector] can take up to 12 months leave but it's only 84 working days for women in the private sector. [...] So women prefer working in the government or public sector.” – F15

Furthermore, participants also pointed out that paternity leave is virtually non-existent in the BPO sector: *“The father doesn't get maternity leave. One day paternity leave. One day, I think it is for the day the child is born”* (F4). Several interviewees raised concerns that the unequal parental leave entitlements may reinforce employer preferences for male workers to avoid the additional costs associated with longer maternity leave:

“The cost is high because when you send them [women] for maternity leave, you have to keep on paying. So in that sense, the company has more cost getting a woman. Because of that, there can be situations where men prefer to recruit more men rather than getting another woman and spending more.” – F6

In addition to inadequate parental leave, the lack of publicly funded childcare services was frequently cited as a major challenge for working mothers. Without affordable and reliable childcare, many women struggle to remain in the workforce due to caregiving responsibilities:

“In Sri Lanka, there are no government-funded childcare centers. All these childcare centers are private, so we have to pay. So, for an average BPO worker to afford a very good childcare center, it is a big challenge.” – F12

Others echoed this concern, pointing out that private childcare services are not only expensive but also often unreliable due to a lack of regulation and quality standards, which make it more economical and mentally beneficial for mothers to opt out of work.

5.2 Informal Institutions

5.2.1 Traditional Gender Roles

Interviewees unanimously highlighted that traditional gender roles play a central role in shaping women's participation in Sri Lanka's BPO sector. Women were consistently described as responsible for childcare, elder care, and domestic chores, while men were framed as breadwinners. As one young woman explained: *"Society wants a woman to focus on the family and men to go to work, bring the salary home and be the breadwinner."* – F2

Although these traditional expectations continue to exert strong influence over women's participation in the BPO sector, several interviewees described a gradual shift – particularly among younger generations. They observed that more women are now entering the professional sphere and participating in paid employment, a trend driven in part by the economic crisis:

"Currently there's a trend that both men and women are going to work because of the economic crisis that's been happening in Sri Lanka. Because it's very hard for a family to survive with one person being a breadwinner." – M17

However, despite increased workforce participation, men have not assumed a proportional share of domestic responsibilities, leaving women to shoulder both paid work and household duties – a double burden that remains difficult to sustain:

"In my perception, women are breadwinners but they're also going home and cooking and cleaning and doing everything else. So, it's like they have to manage both. And that can cause burnout and cause women to want to leave the job market." – F28

Several participants described how women are often socially penalized when their professional responsibilities interfere with domestic expectations, which creates a sense of guilt and discourages women from staying in the workforce:

"So, if you are working, it is fine but that is not your responsibility. So if you're working and not being able to take care of your children or cook, then you'll be put on guilt mode. [...] This kind of mentality will prevent women from participating." – F1

In response to these pressures, many women favor the flexible work arrangements offered by some BPO companies, particularly the option to work remotely, with many participants citing flexibility as a key reason for entering the sector:

“Nowadays, the BPO industry has working from home facilities. So that's the main reason women are moving to these fields. I also came to this field because I can have flexible work.” – F7

For many women, flexibility is not just a preference but a necessity for remaining employed: *“If this company would tell me to come to work all five days, I might have to drop out”* (F6). By contrast, men are less likely to factor flexibility into their career choices: *“So men don't choose to go into different fields because they've remote work. They can choose whatever”* (F7).

5.2.2 Social Stigma

Although some participants felt that women's participation in professional work is becoming more socially accepted, they noted that this shift does not necessarily extend to night shift employment. Several interviewees emphasized that women working at night continue to face significant social stigma. One participant noted:

“There is this perception that women – because they are working late – are involved in unnecessary activities and there are all kinds of stigmas and taboos.” – F16

According to this participant, such stigma may discourage women from entering the BPO sector, where night shifts are common, and instead push them toward sectors considered more socially acceptable. Another interviewee explained:

“In our cultures, an eight to five job is seen as very respectable, a government teacher job, a nurse, you know, so people opt for those because of socially less stigma.” – F31

These views were reflected by other participants, who described how family members often discourage women from taking night shift jobs, citing concerns about safety, reputation, and community judgment.

5.2.3 Workplace Bias

Across the interviews, the BPO sector was consistently described as a fair and merit-based space. As one HR representative noted, *“When we recruit people, we recruit a person, we just want to observe whether this person suits the job, the job fit”* (F22). However, beneath these assertions of meritocracy, many participants revealed underlying biases that challenge the notion of a truly level playing field – particularly regarding women's capabilities and commitment. As one manager stated: *“Females are complicated. They get pregnant, they get into affairs. After that, the commitment is not there”* (M9).

Consistent with these attitudes, several HR representatives expressed the view that qualified female candidates are often passed over in favor of equally qualified men. They noted that, even when making strong cases for hiring women, management often remains reluctant to do so. As one HR professional explained: *“They have so many reasons saying that the male candidate is actually better than the girl candidate”* (F5).

According to interviewees, these biases contribute to the exclusion of women from more demanding roles. Women are often viewed as more suited to support or coordination roles – such as human resources – while technical positions are considered more challenging and therefore better appropriate for men. As one participant observed:

“A female person is more likely to do HR because they feel like it's an easy job. So guys feel like I should work not in the HR department but probably in engineering or in other technical fields.” – M21

This view was echoed by a male manager, who reflected on his experience:

“So, I wanted to get a job in HR but I couldn't, even though I had all the experience. They were looking for females, because it's easier and it's good for them also, I get it.” – M11

In some cases, gender biases are evident not only in role allocation but also in the way job advertisements are formulated. Several interviewees described postings explicitly favoring male candidates, particularly for technical positions. One woman explained:

“There are some companies, when they advertise, even though we'd like to apply for that job, we can't, because it specifically mentions only male candidates are applicable or male candidates are in favor, [...] especially when it comes to IT, analytics, and technical roles.” – F29

In other cases, gendered assumptions were more subtle. One male manager, for instance, claimed neutrality in his hiring practices but went on to describe a gendered division of labor in his team:

“I started off with a few men, because in my area, you have to go and meet customers, be in the field, maybe travel a lot. But I'm now looking for a female to be in-house, to coordinate with my team who's already in the field.” He then added, *“So like I said, no gender discrimination.”* – M10

This example highlights how implicit assumptions can shape hiring practices, even when those making decisions perceive their approach as objective.

Biases also extend beyond recruitment. Some interviewees noted that women in male-dominated roles, particularly in technical fields, often have to work harder than their male colleagues to prove their competence. As one female noted:

“I feel like sometimes the women's capabilities in more technical roles are sort of underestimated. I haven't personally experienced such an incident but I hear it in day-to-day conversations.” – F3

Such comments underscore how perceptions of women's limited competence have become normalized in everyday discourse – taken as a matter of course even by those who have not experienced them directly.

5.2.4 Client Expectations

Throughout the interviews, client expectations were described as primarily focusing on performance and cost-effectiveness, with little or no emphasis on the gender composition of the workforce:

“The clients I've dealt with, I don't see them trying to push for a particular agenda, like getting more women on board. I think they just want the job to be done well, irrespective of gender.” – F28

Although most companies reported limited pressure from clients to adopt gender-inclusive practices, several interviewees noted that the BPO sector's frequent interaction with international clients could indirectly encourage the adoption of diversity and inclusion strategies. Exposure to global best practices – particularly those emphasizing diversity and inclusion – was described as having the potential to gradually shift internal norms.

“The BPO sector is one of the sectors that's very much connected with the outer world. And so, because we're working with these international companies, you are put in a position – not forcefully, of course – but you're given the chance to implement better inclusive policies.” – F14

Some participants also recognized that maintaining a more balanced gender composition and positioning themselves as leaders in gender equality could present a competitive advantage among international clients:

“We find that actually, a lot of our customers and partners are very, very interested in these ESG aspects. And they also share the same values and they're very happy to find a company that shares those same values. So, it's a competitive edge.” – M13

We observed that one thing that distinguished the companies adhering to ESG principles from those who did not was their participation in industry associations and professional networks.

However, the inclusion efforts undertaken by these companies do not necessarily translate into more gender equality, since it is still common to hire women into easier, stereotypically feminine roles rather than fully integrating them across the BPO sector. As one male manager noted: *“It's an easy way for companies to hire women, to put them in HR”* (M11).

6. Analysis

This section analyzes the empirical findings to address the research question: *How can women's underrepresentation in the Sri Lankan BPO sector be explained from an institutional perspective?* The findings suggest that formal and informal institutions combine with organizational discretion to create three main barriers: (1) conditioned work preferences (2) a weak business case for hiring women, and (3) reluctance toward night work. The analysis is structured around these themes.

6.1 Conditioned Work Preferences

The empirical findings suggest that informal norms around gender roles contribute to women's underrepresentation in the BPO sector by assigning domestic responsibilities to women and paid employment to men, echoing existing literature on Sri Lanka (e.g., Alwis & Jayawardana, 2023; Gunewardena, 2015). However, the findings also reveal a gradual shift in attitudes, particularly in the aftermath of Sri Lanka's economic crisis. While institutional theory holds that informal norms are often resistant to change (North, 1990, p. 6), other research suggests that periods of major disruption can serve as catalysts for normative transformation (World Bank Group, 2011). In this context, the financial strain caused by the crisis has made it necessary for women to contribute economically, thereby fostering greater acceptance of women's participation in the labor force.

However, the growing acceptance of women in the workforce has not been accompanied by a redistribution of domestic responsibilities. Women are now expected to manage both paid employment and household responsibilities, from which men are largely exempt. This “double burden” contributes to what Solotaroff et al. (2020, p. 33) term “time poverty,” limiting women's ability to commit to their work to the same extent as men. Thus, informal norms continue to create unequal conditions for women seeking to participate in BPO work. For instance, many female interviewees stressed their reliance on flexible and remote work arrangements to balance these dual responsibilities and remain employed, mirroring trends in the Philippine BPO sector (Guino-o et al., 2023). While such flexibility can support women's continued workforce participation, Solotaroff et al. (2020, p. 6) caution that it may also reinforce their underrepresentation by confining them to a narrower set of roles.

These constraints are further intensified by weak formal support structures, such as the absence of well-regulated childcare and limited maternity leave provisions. Empirical findings suggest that such institutional voids can compel women to leave BPO employment prematurely or discourage them from entering the sector altogether. For instance, several interviewees expressed a preference for public sector employment over BPO work due to more generous maternity benefits, highlighting how women's preferences are conditioned not only *within* the BPO sector – through the prioritization of flexibility – but also *across* sectors, as they seek environments that better accommodate caregiving responsibilities. This resonates with prior research (Aslim et al., 2021; Adams & Kirchmaier, 2012; Halim et al., 2019), which underscores the role of formal support systems in enabling women to reconcile paid work with family obligations.

From this, it follows that the absence of formal support systems does not inherently hinder women's participation in the labor force. Rather, it becomes a significant barrier when coupled with informal norms that place caregiving responsibilities on women, thereby falling within the definition of gendered institutions (Mabsout & van Staveren, 2010; Pathak, 2013; van Staveren & Odebode, 2007). For instance, although the lack of regulated childcare could, in principle, affect both genders equally, it becomes a gendered constraint when prevailing informal norms expect women to compensate for this gap – by reducing their working hours or opting for roles more compatible with caregiving.

6.2 A Weak Business Case for Hiring Women

Women's participation in the BPO sector is further limited by the perception that the business case for hiring women remains weak. Empirical findings suggest that institutions designed to support women's participation may, in practice, reduce their competitiveness relative to male counterparts. For instance, several management representatives viewed maternity leave as an added cost – as also proposed by Zveglic and van der Meulen (2003). Hence, while such provisions may attract more women, they can simultaneously reduce their attractiveness to employers. A similar tension arises with legal requirements mandating safety measures for women working night shifts. Although these measures are designed to make night work more accessible, employers may be discouraged by the perceived financial burden of providing safe transport and related arrangements.

The business case is further weakened by persistent gender biases. Empirical findings reveal that women are often seen as less committed or competent due to family responsibilities which may further discourage the rationale for hiring women, consistent with prior research (e.g., Akerlof & Kranton, 2010; Correll et al., 2007). Although these biases do not reflect women's actual capabilities, interviews revealed that many female BPO workers struggled to balance domestic responsibilities with work, often feeling guilty for not prioritizing the former. This suggests that structural barriers – such as entrenched gender roles and inadequate support systems – can hinder even qualified women from succeeding in the workplace, thereby reinforcing the stereotypes limiting their inclusion.

The concept of organizational discretion is central in this context. Integrating it into institutional theory allows for analysis beyond the intent of institutional structures, focusing instead on how organizations interpret and implement them based on internal priorities (Scott, 2013). Although legal barriers to women's night and overtime work have been lifted to improve access to BPO employment, employers remain reluctant to hire women. Oliver's (1991) framework for predicting organizational responses to institutional pressures helps explain this, particularly through the *Cause* dimension, which highlights that inaction stems from the absence of a compelling economic rationale. This is particularly salient in the cost-sensitive BPO sector. These findings challenge the view that restrictive labor laws are the primary barrier to women's workforce participation in Sri Lanka (e.g., Lakhtakia et al., 2024), suggesting that firms' cost-benefit logic plays a more decisive role. Taken together, the findings extend institutional theory's emphasis on the compatibility of formal reforms with informal norms (e.g., Aparicio et al., 2022; Chacar et al., 2010;

Cumming et al., 2017), highlighting that alignment with organizational priorities is equally critical for reform effectiveness.

One potential lever for change lies in the BPO sector's global exposure. This expands the institutional landscape beyond national borders and introduces firms to global gender equality norms. While most companies reported that clients primarily prioritize quality and cost, some participants noted that international ESG expectations had encouraged them to hire more women as a competitive advantage. In such cases, client values reinforced the business case for gender diversity by offering reputational and economic benefits. These firms were often members of industry associations, consistent with Oliver's (1991) *Context* dimension, which predicts that organizations embedded in networks are more responsive to institutional pressures. Consequently, industry membership, alongside global integration, may help encourage more inclusive hiring in the BPO sector. However, the real impact of these efforts remains relatively limited, as women are still confined to lower-demand roles with fewer opportunities for advancement.

6.3 Reluctance Toward Night Work

Finally, women's underrepresentation in Sri Lanka's BPO sector can be explained by their reluctance to engage in night work – a defining feature of the industry (Alwis & Jayawardana, 2023). Two main institutional factors underpin this pattern.

First, although the requirement for employers to implement safety measures for female night shift workers was intended to make night work safer, empirical findings suggest this goal has not been achieved. The vague wording of the provision allows employers wide discretion in how they interpret and implement these measures. Hence, many opt to meet only the minimum standards, complying with legal requirements in form rather than substance to avoid additional costs. Consequently, concerns about personal safety continue to deter women from night work – and from entering the BPO sector more broadly – echoing findings from Patel's (2014) study of the Indian BPO industry. This outcome reinforces Oliver's (1991) *Cause* dimension, illustrating how economic rationality overrides legal reform in the BPO sector, while also highlighting the *Control* dimension, where weak enforcement enables firms to sidestep meaningful compliance.

Second, women's reluctance is also shaped by informal norms surrounding women's appropriate spaces and behaviors. Empirical findings indicate that women who engage in night work often face stigmatization, exposing them not only to physical risks but also to social sanctions – a pattern also highlighted by Patel (2014). This perception pushes women toward more socially accepted sectors and contributes to their underrepresentation in BPO. From an institutional perspective, this illustrates the enduring influence of informal norms in shaping labor market outcomes. Even when formal rules permit women's participation in night work, deep-rooted gender norms and firm-level interests continue to discourage it.

7. Discussion and Conclusion

7.1 Answer to Research Question

This qualitative study has sought to answer the question: *How can women's underrepresentation in the Sri Lankan BPO sector be explained from an institutional perspective?* Informed by the theoretical framework, the empirical data was analyzed to understand how institutional forces – and their gendered character – interact with organizational discretion in shaping women's participation in the sector (see Figure 3). The analysis identified three key barriers to women's underrepresentation: (1) conditioned work preferences (2) a weak business case for hiring women, and (3) reluctance toward night shift work.

7.1.1 Conditioned Work Preferences

Although Sri Lanka's economic crisis has contributed to greater acceptance of women's participation in paid work, their opportunities for full engagement remain limited, as they continue to bear a disproportionate share of domestic responsibilities. This double burden is further compounded by weak formal support structures, including insufficient maternity leave and a lack of regulated childcare. Consequently, the interplay between informal norms and formal institutional gaps restricts the roles women are willing and able to pursue, reinforcing their underrepresentation in the Sri Lankan BPO sector.

7.1.2 A Weak Business Case for Hiring Women

BPO firms often see limited incentive to hire women, citing additional costs associated with maternity leave and night shift safety, alongside enduring biases that portray women as less capable than equally qualified men. These perceptions are intensified by the sector's strong emphasis on cost-efficiency. Some optimism exists, as international exposure and engagement in industry associations have encouraged a few firms to consider more gender-balanced workforces. Nonetheless, cost and performance continue to dominate decision-making, reinforcing the underrepresentation of women in Sri Lanka's BPO sector.

7.1.3 Reluctance Toward Night Work

Although formal restrictions on women's night work have been lifted, many remain reluctant to take on night shifts due to two key institutional factors. First, the legal requirement for employers to ensure safety is vaguely defined, allowing firms to meet only minimal standards to limit costs, leaving safety concerns unaddressed. Second, informal norms continue to attach social stigma to women working at night, further discouraging participation. Together, these factors reinforce women's underrepresentation in the Sri Lankan BPO sector.

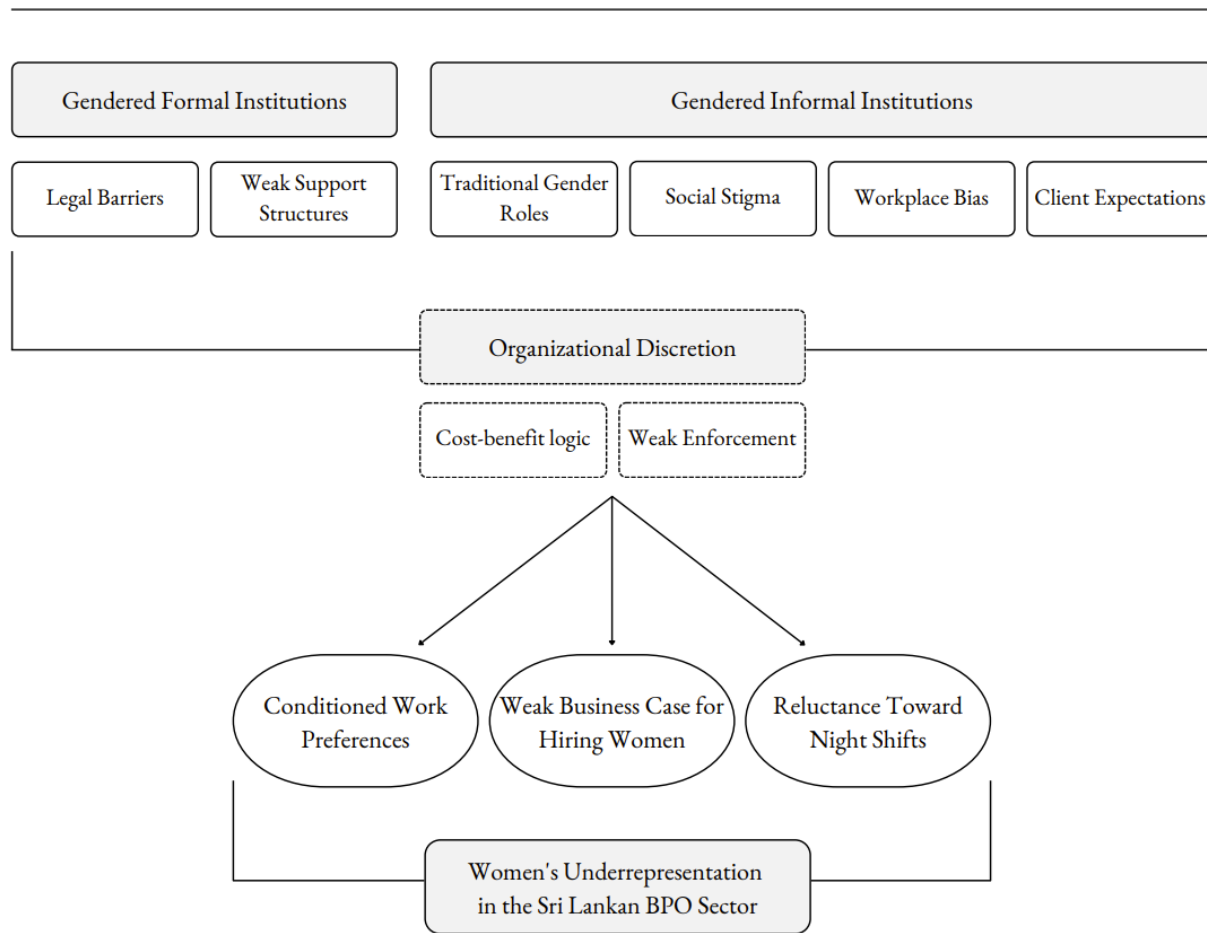


Figure 3
Summarized Illustration of the Factors Behind Women's Underrepresentation in the Sri Lankan BPO sector (Björnum & Karlsson, 2025)

7.2 Contributions

This study makes two key contributions to the literature. First, it addresses a notable knowledge gap by examining women's underrepresentation in Sri Lanka's BPO sector – a setting that has received limited attention despite growing economic relevance and unique characteristics. Second, it is among the first to combine institutional theory with the concept of organizational discretion in the field of female labor force participation. In doing so, the study both builds on and extends existing research on female labor force participation.

Prior literature often isolates the effects of individual institutions when examining gendered labor market outcomes (e.g., Zveglic & van der Meulen, 2003; Adams & Kirchmaier, 2012). In contrast, this study focuses on how formal and informal institutions interact and how their effects are mediated through firm-level interests, yielding a more nuanced understanding of how institutional dynamics unfold. For instance, while Lakhtakia et al. (2024) argue that removing legal restrictions on women's working hours is essential to improve their labor force participation, this study finds that the removal of night work

restrictions in Sri Lanka's BPO sector has not translated into increased female representation. Informal norms continue to stigmatize women's engagement in night-time work despite this legal reform, highlighting the interdependence of formal and informal institutions, as emphasized by North (1990, p. 36). Moreover, legal requirements requiring employers to ensure additional safety measures for female night shift workers have introduced extra costs, prompting firms to favor male candidates. This underscores the need to go beyond formal legal reforms to reduce gender disparities in the BPO sector, by also confronting the informal gender norms and cost-related considerations that shape employer decision-making. That said, the BPO sector could serve as a promising pathway toward closing Sri Lanka's gender gap in labor force participation. Realizing this potential, however, depends on the extent to which practitioners recognize and respond to the institutional and organizational interdependencies highlighted in this study.

7.3 Limitations

While this study presents several important findings, it also has limitations that should be acknowledged. First, the qualitative approach and the subjective nature of the research mean that the empirical material has been shaped by interpretations, both by the participants and the authors. Although this is consistent with the study's underlying research paradigm, the potential for bias remains important to note. Second, given the sensitivity of gender equality and organizational practices, participants may have withheld information out of concern for job security, which could threaten the validity of the responses. However, this risk was mitigated through strict confidentiality measures and by incorporating input from external actors. Third, the study examines the Sri Lankan BPO sector, which, with its distinguishing features, makes it difficult to generalize the findings across the broader labor market. Lastly, although the authors have addressed known limitations of the theoretical framework, it is worth mentioning that further adjustments may have been needed beyond those proposed.

7.4 Future Research

Given the limited attention to gender dynamics in Sri Lanka's BPO sector within the existing literature, several avenues for future research remain. A longitudinal study could help assess how women's participation evolves over time and evaluate the long-term effects of recent legal reforms. Case studies of firms that have successfully improved gender balance would also be valuable in identifying effective strategies to overcome the barriers highlighted in this study. Moreover, future research could explore how gender intersects with class, ethnicity, religion, and geography. As this study focused primarily on companies based in Colombo, comparing these findings with the experiences of women in rural areas may reveal different constraints. Finally, further research could examine how men and women perceive gender-related barriers differently within the sector.

8. Implications for Practice

The findings presented in this study have practical implications for a broad range of stakeholders, including BPO firms, international clients, industry associations, policymakers, advocacy groups, and society at large. Drawing on qualitative interviews with both internal company actors and external specialists, the study underscores the importance of approaching women's underrepresentation in the BPO sector through a multi-institutional lens. While formal legal reforms are essential, they remain insufficient without parallel shifts in informal norms and alignment with firm-level strategies and priorities – as shown by the limited impact of recent reforms permitting women to work night shifts. Bringing these insights together, this final section outlines key implications for practitioners, with actionable recommendations for addressing the identified barriers. The discussion is structured around three key areas: (1) addressing gender roles and expectations, (2) creating a business case for hiring women, and (3) the paradox of strengthening enforcement mechanisms.

8.1 Addressing Gender Roles and Expectations

The empirical findings consistently highlight informal norms around gender roles and expectations as central barriers to women's ability to participate in the BPO workforce on equal terms with men. These norms place a disproportionate share of household responsibilities on women, which in turn conditions their work preferences, limits their performance, and in many cases, leads them to reduce their working hours or withdraw from formal employment altogether.

To mitigate these negative consequences, policymakers should address the formal institutional voids that currently fail to support women in managing this double burden. One critical step is to extend the length of regulated maternity leave, allowing women to remain in BPO employment without being forced to exit upon becoming mothers. Equally important is the introduction of regulated paternity leave, which would help to normalize a more equitable distribution of caregiving responsibilities over time. In parallel, the development of well-regulated and publicly subsidized childcare services is crucial to alleviating women's time constraints. By freeing up time previously allocated to caregiving, such services would enable women to commit more fully to their professional roles, without the persistent tension of falling behind on domestic obligations. While companies can play a supportive role by offering on-site childcare, evidence from Halim et al. (2019) suggests that public investment is more effective. Their study from Indonesia showed that expanding public preschool access had a marginally stronger effect on women's labor force participation than private childcare, which underscores that although private sector contributions are valuable, the primary responsibility for ensuring accessible and reliable childcare should lie with the state.

However, this does not mean that BPO firms should adopt a passive stance and wait for the state to establish formal support structures. In the interim, companies can take meaningful steps to alleviate the burden on their female employees. One such measure is the provision of flexible and remote work arrangements, which can help women better manage their dual responsibilities at home and at work. These options could be

prioritized for women, who tend to rely more heavily on such flexibility to remain in their roles. In addition, firms could explore part-time work as a transitional extension of maternity leave, allowing women to remain engaged in the workforce while caring for young children. However, these initiatives raise important ethical concerns. Promoting flexibility exclusively for women, without addressing the need for greater male involvement in caregiving, risks reinforcing traditional gender roles and perpetuating stereotypes about women's limited availability or commitment. In turn, this could unintentionally reinforce employer preferences for male employees, thereby undermining efforts to foster gender equity in the workplace.

From this, it follows that addressing the barriers posed by gender roles and expectations requires more than alleviating the symptoms or surface-level consequences. To achieve meaningful and lasting change, interventions must confront the underlying gender norms and expectations that give rise to these barriers in the first place. As institutional theory suggests, however, informal norms are deeply entrenched and tend to evolve gradually rather than shift overnight (North, 1990, p. 6). Therefore, efforts to shift these norms must be persistent and wide-reaching in order to foster broader cultural change and establish institutions that affect men and women symmetrically. Public awareness campaigns play a critical role in this process by challenging outdated gender norms, encouraging greater male involvement in caregiving, and promoting women in leadership positions – each contributing to a gradual reshaping of societal attitudes. Educational systems are particularly influential, as they can interrupt the formation of gender role stereotypes early on, before such ideas become entrenched. For instance, featuring men and women in counter-stereotypical roles in textbooks and classroom discussions can help normalize these portrayals from the outset, laying a foundation for more equitable labor market participation later in life. Over time, such efforts may also generate self-reinforcing effects. As proposed by Fernández et al. (2004), men raised by working mothers are more likely to support female labor force participation. Thus, enabling more women to enter the BPO sector – or formal employment more broadly – can contribute to a virtuous cycle, gradually accelerating broader societal transformation.

8.2 Creating a Business Case for Hiring Women

Furthermore, the findings underscore how the strong cost-benefit logic within BPO firms can hinder progress toward greater female representation. Women are frequently perceived as both costlier to employ and less capable than their male counterparts. For practitioners, this highlights the need to ensure that any measures – whether aimed at strengthening formal support systems or addressing informal norms – do not unintentionally position women as more expensive or less desirable employees.

For instance, to prevent the extension of maternity leave from reinforcing employer biases against hiring women, policymakers should consider implementing paternity leave alongside it. This would promote gender equality in legal entitlements and reduce the risk that maternity policies disproportionately disadvantage women in hiring decisions. A similar challenge arises with the legal requirement mandating that employers provide secure transport, rest facilities, and other safety measures for female BPO workers during night shifts. Despite the aim of improving women's access to night work, the intended impact has

not been realized. This raises the question of whether it is reasonable to place the responsibility for these safety provisions solely on individual BPO companies – especially in a cost-sensitive industry where firms must prioritize efficiency to remain competitive. In light of this, it may be more effective for the state to provide centralized safety measures. This would not only help resolve safety concerns associated with night shifts but also remove one of the most frequently cited justifications for not hiring women – that they are “too costly” to employ.

Furthermore, if the state invests in accessible childcare to help women manage their dual responsibilities, as discussed in the previous section, women will be better positioned to demonstrate their full professional potential. This could in turn challenge stereotypes that women are less capable or committed than men, thereby strengthening the business case for hiring women. Complementing these efforts, companies should adopt gender-blind hiring and promotion practices to ensure equal opportunities for advancement.

International clients also have a critical role to play in incentivizing gender inclusion in BPO firms, offering a unique leverage point not typically available in more domestically oriented industries. In the interviews, some participants noted that their companies had already begun improving their gender balance in response to client expectations related to ESG criteria. However, they also noted that other factors such as cost and performance were still the dominant priorities. Here, international clients shoulder an important responsibility to clearly communicate their values and actively engage with outsourcing partners on social issues. As the findings suggest, such engagement has already proven effective in raising awareness and motivating firms to view gender inclusion – not just as a moral obligation but also as a component of a competitive business strategy.

Putting pressure on international clients could also be institutionalized at the supranational level. For example, the European Union's Corporate Sustainability Due Diligence Directive (CSDDD), implemented in 2024, obliges companies to address human rights violations and environmental harms within their global value chains (European Commission, 2025). A comparable regulatory framework could be introduced to also hold companies accountable for upholding gender equality in labor practices throughout their supply chains. To move in this direction, advocacy organizations such as NGOs have a pivotal role to play. A useful comparison can be drawn to the efforts leading up to the adoption of the CSDDD. For example, organizations like Amnesty International published in-depth reports and led awareness campaigns that exposed human rights violations in the supply chains of electronic products consumed in the global North (e.g., Amnesty International, 2016). While the severity of the issues differs, the underlying principle remains: raising awareness can serve as a powerful tool for promoting corporate accountability. Similar pressure and public scrutiny could be instrumental in advancing gender equality within Sri Lanka's BPO sector by introducing reputational risks for companies that fail to promote inclusive labor practices across their value chains.

Another avenue for promoting gender inclusion within BPO firms lies in strengthening engagement with industry associations. The empirical findings suggested that membership in such networks is associated with

greater adherence to ESG principles. Increasing the number of firms participating in such associations is therefore critical to advancing the development of more gender-balanced workforces. Participation could be incentivized through formal certifications tied to industry membership, which may offer a competitive advantage by signaling legitimacy and prestige to clients and partners. In addition to encouraging firm participation, attention should also be directed toward enabling industry associations to actively use their influence as hubs for peer learning and norm-setting to lead sector-wide efforts in promoting gender equality. For example, associations could organize training sessions, facilitate the sharing of best practices, and coordinate collective ESG reporting standards. Additionally, introducing industry-wide awards or public recognition for progress in gender inclusion could further motivate companies to adopt more inclusive practices – such as implementing gender-sensitive infrastructure, enforcing clear policies against violence and harassment, and offering flexible work arrangements. This approach strengthens the business case for hiring women – not only by providing incentives such as rewards and recognition, but also by exposing firms to concrete examples of companies that have improved gender representation and realized tangible benefits. In turn, this helps to challenge the persistent perception that women are less capable than equally qualified men.

Finally, governments can complement these efforts by offering financial incentives – such as tax breaks, grants, or donations – to companies that demonstrate measurable improvements in gender inclusion. In doing so, they help shift the economic rationale in favor of hiring and retaining women, promoting a more inclusive and equitable BPO sector.

8.3 The Paradox of Strengthening Enforcement Mechanisms

As previously discussed, legal requirements mandating that BPO employers provide safety measures for female night shift workers may inadvertently reinforce the perception that women are more expensive to employ than men. This contributes to the reluctance of some firms to hire women. The issue is further complicated by the weak enforcement of these regulations, which are often characterized by vague language and a lack of clear implementation guidelines. As a result, employers are left with significant room to comply only superficially, neglecting the safety concerns the policies are intended to address. These insights underscore a crucial point: policies and enforcement strategies must not only exist in theory but also function effectively in practice. They must be designed and implemented in ways that avoid reproducing the very barriers they are meant to dismantle.

A necessary first step in addressing this issue is to revise existing legal frameworks to provide clearer and more specific requirements for employers. Reducing ambiguity would help close loopholes and prevent cost-driven avoidance of safety responsibilities. However, this introduces an ethical dilemma: while stronger enforcement is essential to ensure women's safety, it may also reinforce the belief that hiring women is a financial burden, thus undermining the broader goal of reducing gender inequality in the workplace. This paradox highlights the need to reconsider how responsibility for inclusion is distributed. Rather than placing the full burden on employers, the state should take a more active role in supporting equitable participation.

Public policies such as subsidies for safe transportation and tax incentives for companies that demonstrate gender-inclusive practices could help align ethical commitments with economic incentives. These measures would alleviate cost pressures on individual firms while collectively advancing gender equity goals.

In addition, policy interventions should adopt regulatory mechanisms that promote inclusion without creating unintended disincentives. For instance, introducing gender quotas in the BPO sector could compel companies to improve the representation of women in their workforce. Although such measures may initially be perceived as coercive, they have the potential to gradually shift workplace norms. As more women enter the workforce – even if initially through mandate – their presence can help normalize female participation and challenge prevailing stereotypes about women's competence and value as employees.

The shortcomings of recent legal reforms also reveal the importance of robust monitoring mechanisms. Without sustained oversight and follow-up tools, even well-intentioned reforms risk failing to deliver meaningful change. It is therefore essential to track how policies unfold on the ground, identify early signs of ineffectiveness, and make timely adjustments where needed. Encouragingly, Sri Lanka has taken a step in the right direction. In 2024, the government passed legislation establishing the National Commission on Women. This body is tasked with protecting women's rights, addressing gender-based discrimination, and providing a formal channel through which women can seek redress for rights violations (Parliament of Sri Lanka, 2024). As this study has demonstrated, policies that appear progressive on paper often fall short if they are not grounded in the lived experiences of the women they are intended to support. The Commission holds the potential to bridge this gap by incorporating women's voices into policy development. It creates an opportunity for those directly affected by gender-based discrimination to inform and shape reforms, ensuring that policy is rooted in everyday realities. However, the potential of this institution lies not only in its formal mandate but also in how accessible and trusted it becomes in practice. Raising public awareness of the Commission's purpose, the rights it protects, and the procedures for seeking redress is essential. Equally important is cultivating an environment in which women feel safe and empowered to report violations – especially given the sensitivity of gender-related grievances. If successfully implemented and broadly embraced, the authors believe the Commission could significantly enhance the effectiveness of gender equality initiatives. It holds promise not only for improving women's participation in the BPO sector but also for accelerating a broader societal transformation in Sri Lanka toward equal rights for men and women.

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Appendices

Appendix 1. Overview of Respondents

Code Name	Gender	Age	Position	Stakeholder
F1	Female	40-44	External Specialist	NGO
F2	Female	20-24	Employee	BPO Company 1
F3	Female	25-29	Employee	BPO Company 1
F4	Female	25-29	Employee	BPO Company 1
F5	Female	30-34	HR	BPO Company 1
F6	Female	35-39	Employee	BPO Company 1
F7	Female	25-29	Employee	BPO Company 1
F8	Female	25-29	Employee	BPO Company 1
M9	Male	50-54	Manager	BPO Company 1
M10	Male	40-44	Manager	BPO Company 2
M11	Male	35-39	Manager	BPO Company 3
F12	Female	35-39	HR	BPO Company 4
M13	Male	45-49	Manager	BPO Company 5
F14	Female	25-29	External Specialist	Think Tank
F15	Female	25-29	External Specialist	Think Tank
F16	Female	35-39	External Specialist	NGO
M17	Male	25-29	Employee	BPO Company 6
M18	Male	50-54	Manager	BPO Company 7
F19	Female	30-34	HR	BPO Company 1
M20	Male	30-34	External Specialist	Industry Association
M21	Male	25-29	HR	BPO Company 8
F22	Female	25-29	HR	BPO Company 8
M23	Male	55-59	HR	BPO Company 8
F24	Female	20-24	Manager	BPO Company 8
M25	Male	60-64	Manager	BPO Company 8
M26	Male	25-29	Employee	BPO Company 8
F27	Female	30-34	HR	BPO Company 5
F28	Female	30-34	Manager	BPO Company 9
F29	Female	45-49	Manager	BPO Company 1
F30	Female	40-44	External Specialist	NGO
F31	Female	50-54	External Specialist	Think Tank

Appendix 2. Interview Specifications

Code Name	Date	Interview Format	Length (min)
F1	2025-02-07	Digital	43
F2	2025-02-06	In person	19
F3	2025-02-06	In person	29
F4	2025-02-06	In person	29
F5	2025-02-06	In person	32
F6	2025-02-06	In person	19
F7	2025-02-06	In person	28
F8	2025-02-06	In person	27
M9	2025-02-06	In person	28
M10	2025-02-07	Digital	39
M11	2025-02-10	Digital	38
F12	2025-02-10	Digital	53
M13	2025-02-11	In person	64
F14	2025-02-11	In person	49
F15	2025-02-11	In person	49
F16	2025-02-12	In person	13
M17	2025-02-13	Digital	30
M18	2025-02-13	Digital	29
F19	2025-02-13	Digital	32
M20	2025-02-14	In person	26
M21	2025-02-14	In person	33
F22	2025-02-14	In person	28
M23	2025-02-14	In person	16
F24	2025-02-14	In person	27
M25	2025-02-14	In person	16
M26	2025-02-14	In person	42
F27	2025-02-14	Digital	57
F28	2025-02-14	Digital	30
F29	2025-02-18	Digital	57
F30	2025-02-20	Digital	34
F31	2025-02-28	Digital	39
			Average length: 34 min

Appendix 3. LinkedIn Message to Potential Interviewees

Hi,

Our names are Stella Karlsson and Clara Björnum, and we are third-year bachelor's students at the Stockholm School of Economics, writing a thesis on factors influencing female labor force participation in Sri Lanka's BPO sector and how these can be addressed to promote gender equality in the industry.

We've consulted with the World Bank team in Colombo and are conducting semi-structured interviews for our research. We'd love to connect with someone at [organization] for a 30-45 minute confidential interview, either in person (Feb 5–16 in Colombo) or virtually afterward.

If someone is available, could you please share an email address so we can provide details? We'd greatly appreciate your insights.

Thank you!

Appendix 4. Email to Potential Interviewees

Dear [name],

We hope this message finds you well. Thank you for your kind LinkedIn response. Following is some more information about us and the thesis we will be writing.

Our names are Stella Karlsson and Clara Björnum, and we are third-year bachelor's students at the Stockholm School of Economics in Sweden. We have just started writing our bachelor thesis, which explores the factors influencing female labor force participation in Sri Lanka's emerging BPO sector.

In 2023, female labor force participation in Sri Lanka was 32%, compared to 70% for men. Our research aims to explore whether similar trends exist in the BPO sector, examine the key challenges and opportunities women face, and identify ways to promote gender equality. We have consulted with the World Bank team in Colombo regarding our research, which builds upon and further investigates areas where the World Bank has recently been providing support.

To collect data for our analysis, we are conducting semi-structured interviews with various stakeholders to gain insights into the challenges and opportunities for women in the BPO sector. We are particularly interested in learning about gender-specific challenges and the initiatives or practices [organization] may have in place to promote gender equality.

Interview Details:

- **Duration:** Approximately 30-45 minutes.
- **Format:** Semi-structured, conducted in-person or virtually.
- **Content:** Discussion on gender-specific challenges and efforts to promote gender equality in the BPO sector.
- **Confidentiality:** Responses will be confidential, anonymized, and used for academic purposes. The final thesis will be publicly available.
- **GDPR:** Information regarding data handling will be shared prior to the interview.
- **Voluntary Participation:** Participation is voluntary, and you may withdraw at any time, with all related data deleted.

We will be in Colombo from February 5th to 16th and would be grateful for the opportunity to arrange an interview with you during this time or virtually afterward. Please let us know your availability and suggest a suitable date and time. We will share an interview guide with the questions in advance.

We appreciate your time and consideration and look forward to the possibility of working with you. Should you have any questions or require further information, please do not hesitate to contact us.

Thank you very much for considering this opportunity to contribute to our research.

Best regards,
Clara Björnum and Stella Karlsson
Third-Year Bachelor Students
Stockholm School of Economics

Appendix 5. Interview Guide BPO companies

The following is the general introduction included in all interview guides.

1. Introduction

In 2023, the World Bank reported that female labor force participation was 32%, compared to 70% for men. With the Business Process Outsourcing (BPO) sector playing an increasingly significant role in Sri Lanka's economy, we believe it is important to examine whether similar gender disparities exist within this sector and identify ways to promote diversity and inclusion.

To address this, we are conducting research to better understand the opportunities and challenges women face in the BPO sector. The findings will help inform future initiatives aimed at increasing women's participation and developing gender-inclusive strategies within the sector.

2. Ethical Aspects

Confidentiality & Personal Data

All information you provide during the interview will remain strictly confidential and fully anonymized. The thesis will not contain any details that could identify you as a participant. You may withdraw your consent at any time, and your data will be permanently deleted thereafter.

Secured storage of data

All data will be securely stored and processed by SSE and will be permanently deleted upon the completion of the project. During the thesis period, the data will be stored in Microsoft Office.

Recording

With your permission, we would like to record the interview using a smartphone to accurately transcribe the information afterward. Please provide us with your informed consent to do so.

3. World Bank Intention

The World Bank Colombo Office has provided consultation for this research and engaged directly with the relevant researchers, with plans to store this information for six months for future reference.

4. Interview Questions

During the interview, we plan to ask some of the following questions. If there are any questions you would prefer not to answer, please let us know in advance, and we will ensure they are not included. You are also welcome to skip any question during the interview without providing an explanation. If you answer a question but later decide you do not want it included in the thesis, just let us know, and we will ensure it is excluded, and that the data is permanently deleted.

Before we begin, do you have any questions or concerns?

Appendix 5.1 Interview Questions Employees

Gender Balance & Workplace Opportunities

- Do you think there is an equal representation of men and women working in the BPO sector?
 - How does this compare to your firm?
- Do you think men and women have the same opportunities to enter and advance in the BPO sector?
 - Why or why not?
- Can you think of any challenges women or men might face in entering and advancing in the BPO sector?
- How did you find out about this job or position?
 - Do you believe that you have the same access to information about job opportunities in the BPO sector as your male/female counterparts?
- Have you worked in other industries before?
 - If so, how does your experience in the BPO sector compare in terms of opportunities and career growth?

Job Roles & Career Advancement

- Do men and women in the BPO sector tend to specialize in different types of job roles?
 - If so, what are the most common roles for each gender?
 - Why do you think that is the case?
- Are there specific positions that are more commonly held by men or women in the BPO sector?
 - If so, what are the most common positions for each gender?
 - Why do you think that is the case?
 - E.g., do men and women have unequal access to senior leadership positions, or are they differently likely to apply for these roles?

Working Hours, Flexibility & Workplace Safety

- What are the typical working hours in your company? Are night shifts common?
 - Do you see any challenges associated with these hours?
 - Do you believe they impact men and women differently?
- When assigning shifts or working hours, are there any preferences given to women or men?
- Do you know if your company has implemented any measures to improve workplace safety for women working night shifts (e.g., policies to prevent harassment, provide safe transportation, or ensure facilities to rest)?
 - If so, do you trust these policies to be effective?
 - Is there a formal mechanism to report issues like harassment?
- Do you have flexible working hours?
 - If so, do you see this as more of a challenge or a benefit?
 - Do you think it affects men and women differently?
- Is remote work an option in your company?
 - If so, how has it impacted your work experience – positively or negatively?
 - Do you think it affects men and women differently?

Concluding Questions

- What do you think are the biggest barriers for women in the BPO sector? Are they different from those faced by men?
- What factors do you think encourage women to join and stay in the BPO sector?
- What key changes do you think are needed at the company, industry, or policy level to enable more women to participate in Sri Lanka's BPO sector?

Appendix 5.2 Interview Questions Human Resources

Gender Balance & Workplace Opportunities

- Do you think there is an equal representation of men and women working in the BPO sector?
 - How does this compare to your firm?
 - Have you seen any changes in the number of women working in the BPO sector in the last 2-5 years?
- Do you think men and women have the same opportunities to enter and advance in the BPO sector?
 - Why or why not?
- Do you believe men and women are given the same access to information about job opportunities in the BPO sector?
 - Does your company reach out to men and women in the same way?
- Have you worked in other industries before?
 - If so, how does your experience in the BPO sector compare in terms of opportunities and career growth for men and women, respectively?

Job Roles & Career Advancement

- Do men and women in the BPO sector tend to specialize in different types of job roles?
 - If so, what are the most common roles for each gender?
 - Why do you think that is the case?
- Are there specific positions that are more commonly held by men or women in the BPO sector?
 - If so, what are the most common positions for each gender?
 - Why do you think this is the case?
 - E.g., do men and women have unequal access to senior leadership positions, or are they differently likely to apply for these roles?

Working Hours, Flexibility & Workplace Safety

- What are the typical working hours in your company? Are night shifts common?
 - Do you see any challenges associated with these hours?
 - Do you believe they impact men and women differently?
- When assigning shifts or working hours, are there any preferences given to women or men?
- Has your company implemented any measures to improve workplace safety for women working night shifts (e.g., policies to prevent harassment, provide safe transportation, or ensure facilities to rest)?
 - If so, do you trust these policies to be effective?
 - Is there a formal mechanism to report issues like harassment?

Workplace Policies & Gender Inclusion Initiatives

- Are you aware of any policies or initiatives your company has in place to make sure everyone is given equal opportunities when it comes to hiring, promotions, career advancement, et cetera?
 - If so, do you think that these policies are effectively implemented in your company?
 - What kinds of responses – positive or negative – have you encountered when implementing gender-inclusive policies?
- How does your company approach benefits such as maternity leave, anti-discrimination measures, and work-life balance (e.g., flexible hours, remote work)?

Laws & Government Policies

- Are you familiar with any laws or government policies designed to encourage women to join the BPO sector?
 - If so, does your company follow and implement these laws or policies?
- Have you heard of initiatives like the WE Act or the National Commission on Women?

- If so, what impact do you think they could have on women's opportunities and gender equality in the BPO sector?
- Are you familiar with the recent amendment to the Shop and Office Act?
 - If so, do you think it will have a meaningful impact on women's participation in the sector? Why or why not?

External Influences

- Are there any industry associations, unions, or corporate networks that you are a part of or have been asked to join?
 - Have they ever encouraged your company to improve diversity?
 - If so, what impact have these efforts had?
- How do you think international clients or investors influence your company's policies on diversity?

Concluding Questions

- What do you think are the biggest barriers for women in the BPO sector? Are they different from those faced by men?
- What factors do you think encourage women to join and stay in the BPO sector?
- What key changes do you think are needed at the company, industry, or policy level to enable more women to participate in Sri Lanka's BPO sector?

Appendix 5.3 Interview Questions Female Managers

Gender Balance & Workplace Opportunities

- Do you think there is an equal representation of men and women working in the BPO sector?
 - How does this compare to your firm?
 - Have you seen any changes in the number of women working in the BPO sector in the last 2-5 years?
- Do you think men and women have the same opportunities to enter and advance in the BPO sector?
 - Why or why not?

Job Roles & Career Advancement

- Do men and women in the BPO sector tend to specialize in different types of job roles?
 - If so, what are the most common roles for each gender?
 - Why do you think that is the case?
- Are there specific positions that are more commonly held by men or women in the BPO sector?
 - If so, what are the most common positions for each gender?
 - Why do you think this is the case?
 - E.g., do men and women have unequal access to senior leadership positions, or are they differently likely to apply for these roles?
- What were the main reasons that led you to become a manager?
 - Do you think the difficulty of reaching this position differs between men and women?
- Are there any more women than you in senior leadership positions at your firm?
 - If not, what do you think are the main reasons for this?
 - If yes, what do you think enabled these women to reach senior leadership roles? Were there any specific qualities or circumstances that made their advancement possible?
- Do you think employees, clients, and stakeholders respond differently if the CEO of a BPO company is a woman rather than a man? Why?

Workplace Policies & Gender Inclusion Initiatives

- Are you aware of any policies or initiatives your company has in place to make sure everyone is given equal opportunities when it comes to hiring, promotions, career advancement, et cetera?
 - If so, do you think that these policies are effectively implemented in your company?
 - What kinds of responses – positive or negative – have you encountered when implementing gender-inclusive policies?
- How does your company approach benefits such as maternity leave, anti-discrimination measures, and work-life balance (e.g., flexible hours, remote work)?

Laws & Government Policies

- Are you familiar with any laws or government policies designed to encourage women to join the BPO sector?
 - If so, does your company follow and implement these laws or policies?
- Have you heard of initiatives like the WE Act or the National Commission on Women?
 - If so, what impact do you think they could have on women's opportunities and gender equality in the BPO sector?
- Are you familiar with the recent amendment to the Shop and Office Act?
 - If so, do you think it will have a meaningful impact on women's participation in the sector? Why or why not?

External Influences

- Are there any industry associations, unions, or corporate networks that you are a part of or have been asked to join?
 - Have they ever encouraged your company to improve diversity and inclusion?

- If so, what impact have these efforts had?
- How do you think international clients or investors influence your company's policies on diversity and inclusion?

Concluding Questions

- What do you think are the biggest barriers for women in the BPO sector? Are they different from those faced by men?
- What factors do you think encourage women to join and stay in the BPO sector?
- What key changes do you think are needed at the company, industry, or policy level to enable more women to participate in Sri Lanka's BPO sector?

Appendix 5.4 Interview Questions Male Managers

Gender Balance & Workplace Opportunities

- Do you think there is an equal representation of men and women working in the BPO sector?
 - How does this compare to your firm?
 - Have you seen any changes in the number of women working in the BPO sector in the last 2-5 years?
- Do you think men and women have the same opportunities to enter and advance in the BPO sector?
 - Why or why not?
- Do you think women should have equal opportunity to work in the BPO sector?
 - What benefits, if any, do you see in having more women participate in the workforce?

Job Roles & Career Advancement

- Do men and women in the BPO sector tend to specialize in different types of job roles?
 - If so, what are the most common roles for each gender?
 - Why do you think that is the case?
- Are there specific positions that are more commonly held by men or women in the BPO sector?
 - If so, what are the most common positions for each gender?
 - Why do you think this is the case?
 - E.g., do men and women have unequal access to senior leadership positions, or are they differently likely to apply for these roles?
- Are there women in senior leadership positions at your firm?
 - If not, what do you think are the main reasons for this?
 - If yes, what do you think enabled these women to reach senior leadership roles? Were there any specific qualities or circumstances that made their advancement possible?
- When you think of a CEO, what qualities come to mind?
 - Do you think these qualities are more commonly associated with men or women? Why?
- Do you think employees, clients, and stakeholders would respond differently if the CEO of a BPO company were a woman rather than a man? Why?

Workplace Policies & Gender Inclusion Initiatives

- Are you aware of any policies or initiatives your company has in place to make sure everyone is given equal opportunities when it comes to hiring, promotions, career advancement, et cetera?
 - If so, do you think that these policies are effectively implemented in your company?
 - What kinds of responses – positive or negative – have you encountered when implementing gender-inclusive policies?
- How does your company approach benefits such as maternity leave, anti-discrimination measures, and work-life balance (e.g., flexible hours, remote work)?

Laws & Government Policies

- Are you familiar with any laws or government policies designed to encourage women to join the BPO sector?
 - If so, does your company follow and implement these laws or policies?
- Have you heard of initiatives like the WE Act or the National Commission on Women?
 - If so, what impact do you think they could have on women's opportunities and gender equality in the BPO sector?
- Are you familiar with the recent amendment to the Shop and Office Act?
 - If so, do you think it will have a meaningful impact on women's participation in the sector? Why or why not?

External Influences

- Are there any industry associations, unions, or corporate networks that you are a part of or have been asked to join?
 - Have they ever encouraged your company to improve diversity and inclusion?
 - If so, what impact have these efforts had?
- How do you think international clients or investors influence your company's policies on diversity and inclusion?

Concluding Questions

- What do you think are the biggest barriers for women in the BPO sector? Are they different from those faced by men?
- What factors do you think encourage women to join and stay in the BPO sector?
- What key changes do you think are needed at the company, industry, or policy level to enable more women to participate in Sri Lanka's BPO sector?

Appendix 6. Interview Guide External Stakeholders

The following is the general introduction included in all interview guides.

1. Introduction

In 2023, the World Bank reported that female labor force participation was 32%, compared to 70% for men. With the Business Process Outsourcing (BPO) sector playing an increasingly significant role in Sri Lanka's economy, we believe it is important to examine whether similar gender disparities exist within this sector and identify ways to promote diversity and inclusion.

To address this, we are conducting research to better understand the opportunities and challenges women face in the BPO sector. The findings will help inform future initiatives aimed at increasing women's participation and developing gender-inclusive strategies within the sector.

2. Ethical Aspects

Confidentiality & Personal Data

All information you provide during the interview will remain strictly confidential and fully anonymized. The thesis will not contain any details that could identify you as a participant. You may withdraw your consent at any time, and your data will be permanently deleted thereafter.

Secured storage of data

All data will be securely stored and processed by SSE and will be permanently deleted upon the completion of the project. During the thesis period, the data will be stored in Microsoft Office.

Recording

With your permission, we would like to record the interview using a smartphone to accurately transcribe the information afterward. Please provide us with your informed consent to do so.

3. World Bank Intention

The World Bank Colombo Office has provided consultation for this research and engaged directly with the relevant researchers, with plans to store this information for six months for future reference.

4. Interview Questions

During the interview, we plan to ask some of the following questions. If there are any questions you would prefer not to answer, please let us know in advance, and we will ensure they are not included. You are also welcome to skip any question during the interview without providing an explanation. If you answer a question but later decide you do not want it included in the thesis, just let us know, and we will ensure it is excluded, and that the data is permanently deleted.

Before we begin, do you have any questions or concerns?

Appendix 6.1 Interview Questions World Bank

The World Bank's Role in Advancing Gender Equality in Sri Lanka's Workforce

- How does the World Bank work with policymakers, businesses, and communities to promote gender equality in Sri Lanka's workforce?
- To what extent has the World Bank studied or worked with the BPO sector in Sri Lanka?
- From your perspective, what are the key opportunities and challenges for women's participation in the Sri Lankan workforce?
 - Do you know how these compare to the opportunities and challenges that women face in the BPO sector?

Government Policies and Their Impact on Workplace Gender Equality

- What do you believe are the most important government policies aimed at promoting equal opportunities for men and women in the workforce?
- How effectively do you believe government policies are implemented in practice? Are there any recurring challenges that may limit their impact?

We understand that the RESET Development Policy Operations (DPOs) are distributed based on the completion of agreed prior actions taken by the government in relation to their reform agenda. Two key steps toward policy conformity have been the passage of the WE Act and (soon) the establishment of the National Commission on Women.

- What impact do you think these measures could have on women's opportunities and gender equality in the BPO sector?
- How do you assess the conformity of these prior actions; for example, would simply establishing a National Commission for Women be sufficient, or must it demonstrate measurable effectiveness to qualify for support?
 - Do these evaluations influence future World Bank funding decisions?
- What impact do you think the recent amendment to the Shop and Office Act will have on women's participation in the BPO sector?
 - Do you think the impact of this amendment could be problematized? For example, could the requirement for employers to provide security, transport, and resting facilities for women working night shifts create unintended barriers to female labor force participation by making it more costly and complex to hire women, potentially reinforcing a preference for male candidates?
- Are you aware of any other policies or regulations specific to the BPO industry that focus on women's participation?

The Future of Gender Equality in Sri Lanka's BPO Sector

- From your perspective, what role can Sri Lanka's growing BPO sector play in promoting gender equality in the labor market? Could it serve as a pathway to greater workforce inclusion for women?
- What key changes do you think are needed at the company, industry, or policy level to ensure greater gender equality in Sri Lanka's workforce, particularly in the BPO sector?
 - How do you think the World Bank can support this development?

Appendix 6.2 Interview Questions Think Tanks

Background

- Can you tell us briefly about yourself?
 - Do you have any previous experience or knowledge of the BPO sector?
- Can you tell us briefly about [think tank's] work in Sri Lanka, particularly in relation to gender equality and female labor force participation?
- To what extent has [think tank] studied or worked with the BPO sector in Sri Lanka?

Gender Equality & Female Workforce Participation in Sri Lanka

- Do you think there is an equal representation of men and women in Sri Lanka's workforce?
 - Do you know how this compares to the representation of men and women in Sri Lanka's emerging BPO sector?
- Have you seen any changes in the number of women participating in the workforce in the BPO sector in the last 2-5 years?
- What would you say are the benefits of having more women participate in the workforce, both generally and within the BPO sector?
- What do you see as the main opportunities and challenges influencing women's participation in Sri Lanka's workforce?
 - Do you know how these compare to the opportunities and challenges that women face in the BPO sector specifically?
- What impact does public perception have on hiring and promotion opportunities for women?
- How do social and cultural norms, including traditional gender roles, influence women's opportunities to work in Sri Lanka?
 - Given the BPO sector's emerging nature and international ties, do you think social and cultural norms influence women's opportunities in this industry differently compared to more established sectors like tourism, textile production, and agriculture?

Laws & Government Policies

- What are the most important government policies aimed at promoting equal opportunities for men and women in the workforce?
- Are there any policies or regulations specific to the BPO industry that focus on women's participation?
- Which government policies have had the greatest impact – whether positive or negative – on women's employment in Sri Lanka?
- How effectively are government policies generally implemented in practice? Are there any recurring challenges that may limit their impact?
- There has been a recent amendment to the Shop and Office Act that states that women are now allowed to work night shifts. What impact do you think this will have on women's participation in the BPO sector?
 - This law also requires that employers provide factors such as security, transport, and resting facilities for women working night shifts. Do you think this is positive or negative?

International Influence

- To what extent do international clients or investors influence gender equality policies and workplace practices in Sri Lanka?
- What impact do you think this could have on gender inclusion in Sri Lanka's BPO sector, given its ties to international clients?

Applying [think tank's] Insights to the BPO Sector

- Do you see [think tank's] previous work on gender equality and labor market trends as relevant to the BPO sector? If so, in what ways?

- What further research do you think is needed to better understand and support gender equality in Sri Lanka's BPO sector?
- What key changes do you think are needed at the company, industry, or policy level to enable more women to participate in Sri Lanka's workforce, and in the BPO sector specifically?

Appendix 6.3 Interview Questions Industry Association

Background

- Can you tell us very briefly about yourself and your role in the BPO sector?
- Can you tell us briefly about [industry association's] role and contributions to Sri Lanka's BPO sector?

Gender Balance & Workplace Opportunities

- Do you think men and women have the same opportunities to enter and advance in the BPO sector?
 - How do you believe this compares to other industries in Sri Lanka?
- Do you believe men and women are given the same access to information about job opportunities in the BPO sector?

Job Roles & Career Advancement

- Do men and women in the BPO sector tend to specialize in different types of job roles?
 - If so, what are the most common roles for each gender?
 - Why do you think that is the case?
- Are there specific positions that are more commonly held by men or women in the BPO sector?
 - If so, what are the most common positions for each gender?
 - Why do you think this is the case?
 - E.g., do men and women have unequal access to senior leadership positions, or are they differently likely to apply for these roles?
- Do you think employees, clients, and stakeholders would respond differently if the CEO of a BPO company were a woman rather than a man? Why?
- How do social and cultural norms, including traditional gender roles, influence women's opportunities in the BPO sector, considering its emerging nature and international ties? How does this compare to more established industries like tourism, textile production, and agriculture?

Working Hours & Workplace Safety

- What are the typical working hours in the BPO sector? Are night shifts common?
 - Do you see any challenges associated with these hours, and do you believe they impact men and women differently?
- Do you think companies have measures in place to improve workplace safety for women working night shifts (e.g., policies to prevent harassment, provide safe transportation, or ensure facilities to rest)?
 - If so, do you believe these policies are effectively implemented and utilized, or are they more symbolic commitments?

Laws, Government Policies & International Influence

- Are you familiar with any laws or government policies designed to encourage women to join the BPO sector?
 - If so, do you believe companies implement and follow these laws or policies in practice?
- Have you heard of initiatives like the WE Act or the National Commission for Women?
 - If so, what impact do you think they could have on women's opportunities and gender equality in the BPO sector?
 - Do you believe these initiatives are widely known and supported by BPO companies?
- There has been a recent amendment to the Shop and Office Act that states that women are now allowed to work night shifts. What impact do you think this will have on women's participation in the BPO sector?
 - This law also requires that employers provide factors such as security, transport, and resting facilities for women working night shifts. Do you think this is positive or negative?
- How do you think international clients or investors influence gender equality policies and workplace practices in Sri Lanka?

Industry Initiatives

- Can you describe [industry association's] role in the BPO sector in Sri Lanka, particularly in relation to gender equality and female labor force participation?
- [Questions related to the industry association's initiatives to increase women's participation]

Concluding Questions

- What do you think are the biggest barriers for women in the BPO sector? Are they different from those faced by men?
- What factors do you think encourage women to join and stay in the BPO sector?
- What key changes do you think are needed at the company, industry, or policy level to enable more women to participate in Sri Lanka's BPO sector?

Appendix 6.4 Interview Questions International Labour Organization

Background

- Can you tell us briefly about yourself?
 - Do you have any previous experience or knowledge of the BPO sector?

The Role of ILO in Promoting Gender Equality in the Workforce

- Can you tell us briefly about the ILO's work in Sri Lanka, particularly in relation to gender equality and female labor force participation?
- To what extent has the ILO studied or worked with the BPO sector in Sri Lanka?
- According to the ILO, what are the key opportunities and challenges for women's participation in the Sri Lankan workforce?
 - Do you know how these compare to the opportunities and challenges that women face in the BPO sector?

The Role of Government Policies

- What are the most important government policies aimed at promoting equal opportunities for men and women in the workforce?
- Are there any policies or regulations specific to the BPO industry that focus on women's participation?
- Which government policies have had the greatest impact – whether positive or negative – on women's employment in Sri Lanka?
- How effectively are government policies generally implemented in practice? Are there any recurring challenges that may limit their impact?
- The ILO's 2016 study, *Factors Affecting Women's Labour Force Participation in Sri Lanka*, highlighted restrictive legislation as a barrier and recommended introducing flexible work arrangements such as part-time work, remote work, and night shifts to improve work-life balance for women. In this context, do you think the recent amendment to the Shop and Office Act, which now allows women to work night shifts in the IT/BPO sector, will have a meaningful impact on women's participation in the sector?
 - This law also requires that employers provide factors such as security, transport, and resting facilities for women working night shifts. Do you think this is positive or negative?

Looking Forward

- From your perspective, what role can Sri Lanka's growing BPO sector play in promoting gender equality in the labor market? Could it serve as a pathway to greater workforce inclusion for women?
- What key changes do you think are needed at the company, industry, or policy level to enable more women to participate in Sri Lanka's workforce, and in the BPO sector specifically?