

# PPRII Policy Brief Series

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Perspective Policy Research Institute (PPRII), Islamabad

## Addressing Workplace Gender Inequality in Pakistan's Private Sector

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### Executive Summary

Gender inequality remains a persistent challenge within Pakistan's private sector. Women face wage disparities, limited promotion opportunities, and underrepresentation in leadership roles. According to global labour reports, women occupy less than 20 percent of managerial positions in many sectors. Addressing workplace inequality is essential for sustainable economic development and improved corporate productivity.

#### Key Findings

- Women remain significantly underrepresented in leadership and decision-making positions within Pakistan's private sector.
- The **gender wage gap** in Pakistan is estimated to range between **30–35 percent**, reflecting persistent disparities in compensation and career opportunities.
- Structural barriers—including gender bias in recruitment processes, limited mentorship opportunities, and workplace culture—continue to affect women's career advancement.
- Women's representation declines significantly at senior management levels across sectors such as finance, technology, and corporate governance.
- International research demonstrates that organizations with higher gender diversity in leadership positions tend to exhibit stronger innovation, decision-making capacity, and financial performance.

#### Policy Implications

- Corporate governance frameworks should incorporate **gender diversity targets** for leadership and management positions.
- Companies should conduct **gender pay audits** to identify and address wage disparities within organizational structures.
- Establishing **mentorship and leadership development programs for women** can help address barriers to career progression.
- Private sector organizations should adopt **flexible working arrangements and family-friendly workplace policies** to support women's retention in the workforce.
- Strengthening gender-inclusive corporate practices can improve organizational productivity while advancing women's economic empowerment.

## Background

Gender inequality within workplaces remains a persistent challenge in Pakistan's private sector despite growing awareness of gender-inclusive employment practices. Although women increasingly pursue higher education and professional careers, their representation within formal employment and leadership positions remains limited. According to labour market data from the Pakistan Bureau of Statistics, women constitute **less than 20 percent of employees in the formal private sector**, and their representation declines further at senior management levels. Studies conducted by international institutions indicate that women occupy **less than 15 percent of managerial positions in many corporate sectors in Pakistan**, reflecting structural barriers that limit career progression.

One of the most significant indicators of workplace inequality is the gender wage gap. Estimates suggest that women in Pakistan earn **approximately 30–35 percent less than men** on average, even when controlling for education and experience. This wage disparity is partly explained by occupational segregation, where women are concentrated in lower-paying sectors such as education, healthcare support services, and informal manufacturing. However, gender biases in hiring practices, promotion decisions, and salary negotiations also contribute to this persistent gap. According to research from the **World Bank Women, Business and the Law Report**, Pakistan still faces institutional and regulatory challenges that affect women's equal access to economic opportunities.

Workplace culture and institutional practices also shape gender inequality in corporate environments. Many organizations continue to operate within traditional structures where leadership networks are predominantly male-dominated. Women may face limited access to mentorship opportunities, professional networks, and leadership training programs that are critical for career advancement. Additionally, workplace policies often fail to accommodate the challenges faced by women balancing professional responsibilities with family obligations. Limited availability of flexible working arrangements, inadequate maternity protections, and the absence of workplace childcare facilities can discourage women from pursuing long-term careers in the private sector.

At the same time, global research increasingly demonstrates that gender diversity in leadership contributes to improved organizational performance. Studies by international organizations such as the **Organisation for Economic Co-operation and Development** and the **International Labour Organization** indicate that companies with greater gender diversity often experience higher levels of innovation, stronger decision-making processes, and improved financial outcomes. For Pakistan's private sector, promoting gender-inclusive workplace policies therefore represents both an economic opportunity and a critical step toward achieving broader development goals related to gender equality and inclusive growth.

## Gender Diversity and Corporate Performance

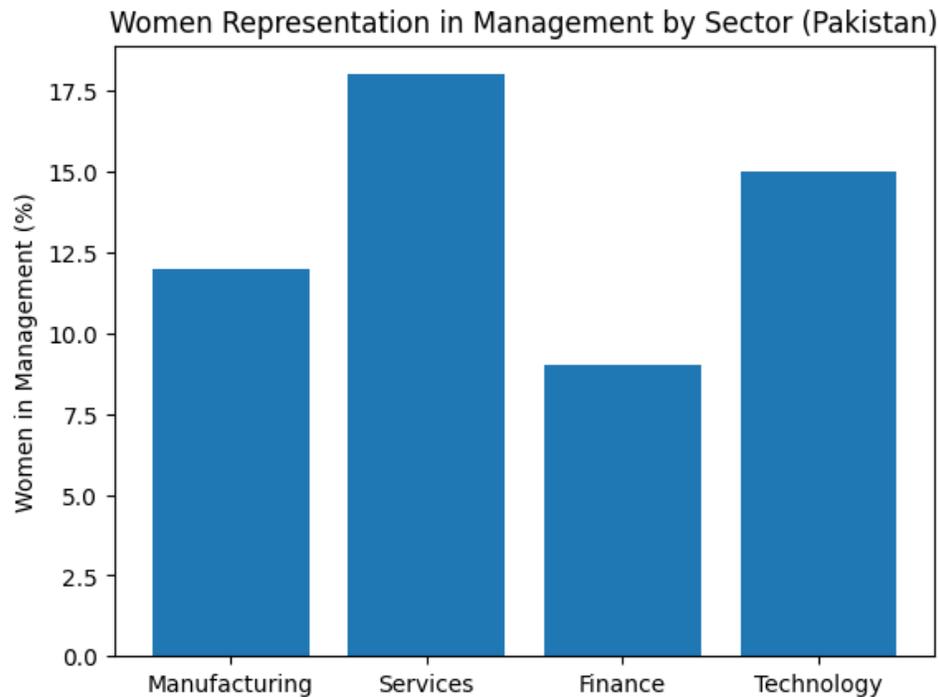
Research increasingly demonstrates that gender diversity in the workplace is not only a matter of social justice but also an important factor in corporate performance. Studies by the **International Labour Organization** and the **OECD** suggest that organizations with higher levels of gender diversity in leadership positions tend to demonstrate improved decision-making, innovation, and financial performance.

However, Pakistani women remain significantly underrepresented in corporate leadership positions. In many sectors, women occupy less than twenty percent of managerial roles, reflecting structural barriers such as limited professional networks, gender bias in recruitment practices, and insufficient mentorship opportunities.

Addressing these barriers requires coordinated efforts from both policymakers and private sector leaders to promote gender-inclusive workplace policies and leadership development programs for women.

## Women Representation in Management

The chart below illustrates the estimated representation of women in management positions across selected sectors in Pakistan.



## Key Challenges

Despite gradual improvements in gender awareness and legal protections, workplace gender inequality remains a persistent challenge in Pakistan's private sector. One of the most visible manifestations of this inequality is the gender wage gap, where women frequently earn less than their male counterparts for performing similar roles or possessing comparable qualifications. This disparity often reflects structural biases in recruitment, promotion, and compensation practices within organizations. In many cases, women are more likely to be employed in lower-paying roles or support positions, while men dominate higher-paying technical and managerial positions. These patterns reinforce income inequality and limit women's long-term economic mobility.

Another major challenge is the underrepresentation of women in leadership and decision-making roles across corporate institutions. Although women increasingly enter professional fields such as banking, education, healthcare, and information technology, their progression into senior management positions remains limited. Structural barriers such as limited access to professional mentorship networks, gender bias in promotion decisions, and the absence of leadership development programs often prevent women from advancing within organizational hierarchies. This lack of representation in leadership positions also reduces the likelihood that gender-sensitive policies will be prioritized within corporate governance structures.

Workplace culture and organizational practices also play a significant role in perpetuating gender inequality. In many organizations, workplace environments remain shaped by informal networks and institutional practices that favor male employees. Women may face subtle forms of discrimination, including exclusion from professional networks, limited participation in decision-making processes, and unequal access to training opportunities. Additionally, the absence of flexible work arrangements and family-friendly policies can disproportionately affect women who often carry greater household responsibilities. Addressing these challenges requires not only policy reforms but also broader cultural changes within organizations to promote inclusive and equitable workplace environments.

## Policy Implications for Private Sector Governance

Promoting gender equality within the private sector requires institutional reforms that encourage gender-inclusive corporate governance practices. Governments and regulatory authorities can play an important role by introducing policy incentives for companies that demonstrate progress in gender diversity and equal employment practices.

Private sector organizations can also adopt internal mechanisms to promote gender equality, including transparent recruitment processes, gender pay audits, leadership development programs for women, and flexible workplace policies that support work-life balance.

Strengthening gender equality within corporate structures will not only enhance women's economic empowerment but also contribute to sustainable economic growth and improved organizational performance.

## Policy Recommendations

Reducing workplace gender inequality in Pakistan requires a multi-dimensional policy approach that involves both regulatory reforms and institutional changes within organizations. One important step is the introduction of gender diversity targets within corporate governance frameworks. Encouraging companies to increase women's representation in managerial and leadership positions can help address structural imbalances in decision-making roles. In addition, organizations should conduct regular gender pay audits to identify and correct wage disparities between male and female employees performing similar roles. Transparent reporting mechanisms can also improve accountability and encourage organizations to adopt equitable compensation practices.

Furthermore, organizations should invest in leadership development and mentorship programs specifically designed for women. Such initiatives can help address the professional networking and career advancement challenges that many women face in corporate environments. Flexible working arrangements, including remote work options and family-friendly workplace policies, can also support women in balancing professional and domestic responsibilities. Governments and industry associations can play a supportive role by promoting best practices in gender-inclusive workplace policies and recognizing companies that demonstrate progress in gender equality initiatives. These measures can contribute to building more equitable and productive workplaces across Pakistan's private sector.

## Conclusion

Promoting gender equality in the workplace is not only a matter of social justice but also an important economic priority. Research consistently demonstrates that organizations with diverse leadership teams tend to perform better in terms of innovation, decision-making, and financial performance. Increasing women's participation in managerial roles can therefore strengthen organizational capacity and enhance competitiveness within both national and global markets. For Pakistan's private sector, adopting gender-inclusive employment practices can provide a strategic advantage while contributing to broader national development goals.

Achieving meaningful progress in workplace gender equality requires collaboration between policymakers, private sector leaders, and development partners. Governments must create enabling regulatory environments that encourage gender-inclusive employment policies, while companies should actively promote diversity and equal opportunity within their organizational structures. By addressing gender disparities in the workplace, Pakistan can strengthen women's economic empowerment and unlock

significant economic potential. In the long term, creating equitable workplace environments will contribute to sustainable economic development and improved social outcomes across the country.

## References

World Bank (2023). Women, Business and the Law.

International Labour Organization (2022). Global Gender Gap in Employment.

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## About the Author

Dr. Fouzia Amin is a policy researcher and governance specialist with extensive experience in conducting analytical research on gender equality, human rights, and socio-economic policy in Pakistan. She currently serves as **Director / Consultant at Perspective Policy Research Institute (PPRII)**, where she leads research initiatives focusing on gender policy, labour market inclusion, governance reforms, and evidence-based policy development. In this capacity, she has contributed to multiple policy studies examining issues such as gender equality in economic participation, institutional governance frameworks, and socio-economic development challenges in Pakistan.

Through her work at PPRII, Dr. Amin has been actively engaged in producing policy briefs, analytical reports, and stakeholder consultations aimed at supporting informed policymaking and advancing inclusive development strategies. Her research and policy engagements have involved collaboration with government institutions, policy stakeholders, and development organizations on issues related to human rights, gender empowerment, and labour market dynamics. Her work focuses on translating academic research into practical policy recommendations that can inform government policies and development programs.

In addition to her policy research role, Dr. Amin also serves as **Assistant Professor at National Defence University (NDU), Islamabad**, where she teaches and conducts research on governance, public policy, and strategic studies. Her academic work complements her policy research by integrating analytical frameworks and empirical research methods into policy analysis related to development and governance issues.

## About the Perspective Policy Research Institute (PPRII)

Perspective Policy Research Institute (PPRII) is an independent policy research organization based in Islamabad dedicated to producing evidence-based research and policy analysis on governance, human rights, economic development, and public policy.

The institute aims to support informed policymaking by generating analytical research outputs that address emerging national and regional policy challenges.

PPRII conducts interdisciplinary research and publishes policy briefs, analytical reports, and policy recommendations designed to inform government institutions, development organizations, and civil society stakeholders. Through research collaboration, stakeholder engagement, and policy dialogue, the institute seeks to contribute to inclusive development and strengthen evidence-based policymaking processes in Pakistan.