



### The Gender Biasness and Practices of HRM in Small Businesses in Pakistan

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#### ABSTRACT

Gender bias in Human Resource Management (HRM) practices continues to be a pressing issue, particularly in small businesses in Pakistan. The study explores how hiring, promotions, wage disparities, and workplace culture perpetuate gender discrimination. Socio-cultural norms, lack of formal HR policies, and weak enforcement of labor laws contribute to gender bias, limiting women's economic participation and career growth. To investigate these issues and suggest workable solutions, this study uses a mixed-methods approach, combining qualitative and quantitative data. The findings highlight that eliminating gender bias requires legal enforcement, cultural shifts, and HRM policy improvements to create equitable workplaces. The ongoing underrepresentation of women in corporate senior positions lowers organizational and individual productivity, which ultimately has an impact on society at large. This article presents the findings of a study. The study looked at how gender stereotypes affected the underrepresentation of female bankers in management positions within the banking sector in Pakistan. The impact of gender stereotypes, which are commonly acknowledged as preventing women from advancing professionally, was investigated using the whole "Gender, Organization, and System" model.

**Keywords:** *Gender bias, HRM practices, Small businesses, Pakistan, Workplace equity, Labor laws, Wage disparity, Career advancement.*

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## Introduction

Gender inequality remains a critical issue in the global workforce, with women continuing to face discrimination in hiring, pay, and promotions. In Pakistan, the situation is even more pronounced due to entrenched patriarchal norms and weak labor law enforcement. While large corporations have structured HRM policies to promote gender equity, small and medium-sized enterprises (SMEs) often lack formal mechanisms to address gender bias (Abbas & Raja, 2019). Although the organizers of the World Economic Forum insisted that one of the five advisor entourage members be a woman, twenty of the top 100 multinational businesses brought a team of four employees, all of whom were men. Does this information suggest that these organizations either did not have any women in leadership positions who were worthy of being on the team, or that they did not want to hire women with bias and unreasonable views and fears?

Small businesses play a vital role in Pakistan's economy, contributing significantly to employment and GDP. However, HRM practices in these enterprises often reflect ingrained cultural and social biases, leading to gender inequalities in hiring, wages, promotions, and work conditions. Women remain underrepresented in managerial positions, while workplace discrimination persists due to traditional norms and structural barriers (Ahmed & Naseem, 2021).

This study investigates gender bias in HRM practices in small businesses across Pakistan, focusing on recruitment policies, wage gaps, career growth opportunities, and workplace inclusion. The research highlights how these biases impact business performance and suggests strategies for fostering a more inclusive work environment (Ali & Malik, 2019).

The aforementioned data indicates that, despite the representation of women in various forums and government initiatives to give women more opportunities, gender discrimination still occurs and instances of bias and prejudice can be easily generated in our daily interactions. According to the aforementioned statistics, gender stereotypes influence our evaluations and decisions, which ultimately results in how we treat men and women (Aslam & Hussain, 2022).

A multilevel framework called the "GOS," which includes the Individual, Organizational, and Systemic levels for analysis, was thus employed in this study in order to thoroughly examine the problem and determine how gender stereotypes impact women's performance in Pakistan's banking industry (Awan & Ali, 2018).

Gender roles were once only classified as either masculine or feminine, according to a thorough analysis of the literature. These conventional roles began to change over time to become more inclusive of both men and women. The term "traditional sex roles" highlights the distinctions between men and women. Generally, these distinctions were believed to be inherent (Bhatti & Farooq, 2023).

They also encourage males to act in a manly way and women to act in a feminine way. Therefore, society's expectations for its members' behavior—particularly with regard to gender roles—lead to gender role prescriptions. The relationships between men and women in modern society are significantly impacted by these sex roles in the home, in the classroom, at work, and in management and non-management positions within an organization (Dar & Akhtar, 2019).

However, a wide range of appropriate gender roles for both men and women are now included in the roles. Gender role norms for men and women may differ significantly, even within the same country or culture. Gender roles may vary depending on the social group or subculture to which an individual belongs. Gender stereotyping, the process of grouping people into different categories according to their culturally given roles, limits the potential of both men and women (Ghaffar & Yousuf, 2020).

Because "Think manager Think male" is so common, they have a particular effect on women's advancement in traditionally and historically male-dominated professional professions like management (Fatima & Shahid, 2022). It is essential to ascertain the role and impact of sex role stereotypes on women's career progression in management-related fields.

One of the most notable examples of gender stereotypes and their impact on women's professional advancement is the Price Waterhouse

v. Anna Hopkins case. Since she was the most qualified candidate with the strongest portfolio and the best record, Ms. Hopkins, a junior, was scheduled to be promoted to full partner in this instance. She was rejected for a partnership because she was too masculine and needed to attend charm school to appear more feminine and wear jewelry and makeup. In the end, Ms. Hopkins prevailed in her lawsuit against the business (Hassan & Qureshi, 2023). Ms. Samra, who achieved the desired results at work but was not promoted, is another example of this from the Pakistani context.

Gender bias in HRM practices remains a significant challenge for small businesses in Pakistan, limiting women's economic participation and professional growth. Addressing this issue requires a multifaceted approach involving employers, policymakers, and educational institutions. By implementing inclusive HRM policies, enforcing legal protections, and fostering cultural change, small businesses can contribute to a more equitable workforce and drive national economic growth (Iqbal & Siddiqui, 2018).

SMEs form a significant portion of Pakistan's economy, contributing nearly 40% to the GDP and employing 80% of the non-agricultural workforce (Pakistan Bureau of Statistics, 2023). However, these businesses frequently operate informally, with limited HRM policies and oversight. As a result, women face numerous challenges, including discriminatory hiring practices, wage gaps, and barriers to career advancement.

This research investigates the extent of gender bias in HRM practices within Pakistani SMEs, focusing on recruitment, salary disparities, career progression, and workplace culture. By identifying the root causes of gender bias, this study aims to provide actionable recommendations for fostering inclusive HRM policies in small businesses (Kamal & Asghar, 2020).

## Research Problem

Despite global movements advocating for workplace equality, gender bias remains deeply rooted in Pakistan's SME sector. Women continue to face systemic discrimination due to cultural stereotypes, lack of workplace policies, and limited legal protections. The problem manifests

in various HRM practices, including:

- **Recruitment Bias:** Women are often overlooked for managerial and technical roles.
- **Wage Disparities:** Female employees earn significantly less than their male counterparts.
- **Limited Career Growth:** Women struggle to secure promotions and leadership roles.
- **Workplace Culture:** Discriminatory attitudes discourage female participation and career progression.

This research seeks to understand how these biases persist and what measures can be taken to create gender-equitable HRM practices in Pakistani SMEs.

## Research Questions

1. What are the prevalent gender biases in HRM practices in small businesses in Pakistan?
2. How do recruitment, wage disparities, and promotions reflect gender bias?
3. What factors contribute to gender inequality in SMEs' HRM policies?
4. What interventions can improve gender equity in small businesses' HRM practices?

## Literature Review

As female participation has steadily increased, males have had to adapt to the fact that women are now their peers, superiors, and subordinates. In turn, women's participation in male-dominated organizations has evolved from being the only member of their sex in a particular role, or sometimes one of only a few women in a larger group of men, to frequently being in leadership positions and occasionally being a part of the majority group. Members of both sexes need to adapt on all levels: interpersonal, personal, and organizational (Hussain & Tariq, 2017).

According to a number of studies, being a woman or having feminine traits is generally viewed as negative, while being a man or having masculine traits is viewed as positive when gender and sex role characteristics are taken into account as predictors of future success within an organization (Brenner, Tomkiewicz, and Schien, 1989; Powell and Butterfield, 1979, Ledett and Henley, 2000).

Passivity, dependence, emotionality, and submissiveness are examples of negative female

sex role stereotypes, while aggressiveness, independence, dominance, strength, and rationality are examples of positive male sex role stereotypes (Haanand Livson, 1973; O'Leary, 1974, Ledet and Henley, 2000). Male stereotypes seem to be more associated with power than female ones.

Meier, O'Toole, and Goerdel (2006) assert that while gender may influence management capital, neither gender has a monopoly on unique contributions. Fischlmayr (2002) asserts that women often exhibit traditional role behavior as a result of socialization. For example, the lone female team member feels obligated to get up and assist the others if no one is around to bring coffee.

Performance and achievement alone are not enough for higher managerial roles. You need other people's assistance while you're at the top of the career ladder. After a while, a single mentor can no longer have an impact. Men are adept at creating networks, have powerful internal pressure groups, and understand the value of networks. A certain amount of camaraderie and a lot of casual interactions are necessary.

Men have strong internal pressure groups, are skilled at building networks, and recognize the importance of networks. Networking requires a certain level of friendship and a lot of informal meetings (Haider & Riaz, 2021).

While networking provides a way for both men and women to access and exchange information, different feminists argue that men's and women's networks might be different (Powell 1993, Meier, O'Toole, & Gödel 2006). Historically, men have benefited from informal "good old boy" networks (Bacharach and Lawler 1980, Meier, O'Toole & Goerdel 2006).

On the other hand, women are less likely to have held senior management positions or had the opportunity to engage in this type of vital networking.

It has been demonstrated that women develop more formal networks with other women within their own organizations. These problems may hinder female top managers' ability to find mentors for their professional development because they lack the skills and knowledge necessary to establish and sustain formal professional relationships, such as the good ol' boy network

(Guy and Duke 1992; Harriman 1985; Smeltze and Fann 1989; Stivers 2002; Meier, O'Toole, & Gödel 2006).

Asian women, especially those in India and Pakistan, feel that despite the increasing number of job opportunities available to them, they still need to overcome gender bias to be treated as equals in the workplace. Women have not advanced through the company's levels as rapidly as men. Women executives who have already strayed from their usual responsibilities by taking on executive positions are perceived as rebellious when they don't conform to the typical role stereotype (Iyer et al., 1996; Singh, 2003). Two separate processes occur that enable women to feel comfortable in their positions as moms or wives when they acknowledge that their career aspirations clash with these responsibilities. Women also feel bad about abandoning their roles as wives and mothers since they don't accept them (Singh 2003).

### **Gender Bias in HRM Practices**

HRM plays a crucial role in shaping workplace culture and policies, but in Pakistan, these practices are often influenced by deep-rooted gender biases. Studies suggest that women are frequently perceived as less competent leaders, which limits their opportunities for advancement (O'Leary & Ickovis, 1992). The "glass ceiling" effect continues to hinder female career progression, with fewer than 30% of leadership roles occupied by women globally (International Labour Organization, 2019).

### **Gender Disparities in SMEs**

SMEs face significant HRM challenges, including compliance with labor laws, limited employee engagement strategies, and informal hiring processes (IKTAR, 2025). Women working in SMEs often lack access to maternity benefits, career progression opportunities, and equal pay (LinkedIn, 2025). These disparities are compounded by inadequate training and development programs tailored to women's career growth.

### **Cultural Barriers to Women's Employment**

In Pakistan, societal norms dictate that women should prioritize family responsibilities over professional aspirations. These cultural constraints discourage women from entering the workforce or

seeking leadership roles (Pakistan Lawyer, 2024). Additionally, many SMEs operate without formal HR departments, leading to hiring decisions based on gender stereotypes rather than merit.

## Methodology

A mixed-methods research design was used, combining qualitative and quantitative data collection methods. The study examined aspects associated with Pakistan's banking industry using data from primary and secondary sources. The respondents were given a survey questionnaire, and a small number of them were also interviewed as part of the main sources. Secondary sources included examining significant papers and publications, such as annual reports. Using the aforementioned publications and the websites of the various banks, policies, rules, and regulations were also examined.

## Qualitative Approach

- **Semi-structured interviews** with HR managers, female employees, and business owners from SMEs across different industries.
- **Case studies** of SMEs that have successfully implemented gender-inclusive HRM policies.

## Quantitative Approach

- **Surveys** distributed among employees in SMEs to assess perceptions of gender bias in recruitment, salary structures, promotions, and workplace environments.

## Secondary Data Analysis

- Review of academic literature, government reports, and industry studies related to gender bias in HRM practices in Pakistan.

## Data Collection Methods

### Survey Design

The survey included closed-ended and Likert scale questions to measure employees' perceptions of gender bias in HRM practices. Participants were selected from SMEs operating in sectors such as retail, IT, and manufacturing.

### Interviews

Interviews were conducted with HR professionals and business owners to understand their perspectives on gender-based hiring preferences, employee retention, and barriers to women's career

advancement.

## Estimation & Findings

### 1. Hiring Discrimination

- Women were less likely to be hired for leadership roles.
- Job descriptions often included gender-preferential language, discouraging female applicants.

### 2. Wage Gaps

- Women earned significantly lower salaries than men in similar roles.
- Salary negotiations favored men, as women were perceived as secondary income earners.

### 3. Promotions & Career Growth

- Women faced difficulties in obtaining promotions due to biases about their commitment and leadership capabilities.
- Maternity leave policies were absent or poorly implemented in many SMEs.

### 4. Workplace Culture

- Workplace environments were often male-dominated, discouraging female participation.
- Lack of anti-harassment policies in SMEs resulted in fewer women speaking up against discrimination.

## Conclusion

Gender bias in HRM practices within Pakistani SMEs remains a significant challenge, restricting women's economic empowerment and career progression. Socio-cultural norms, lack of formal HR policies, and weak enforcement of labor laws contribute to workplace inequalities. Addressing these biases requires targeted HRM interventions, policy reforms, and cultural shifts.

Additionally, the study's goal was to ascertain how gender preconceptions impact women's career progression. The banking sector in Pakistan was selected to conduct the study. A survey questionnaire that took into consideration the cultural values of the country was distributed via networking as a sampling technique. The survey questionnaire was supplemented by follow-up interviews with a selected sample of all respondents which are included in the study.

## Recommendations

### 1. HR Policy Development

- Implement standardized HR policies promoting gender equity.
- Introduce transparent hiring and promotion criteria to reduce biases.

### 2. Salary Equality

- Conduct regular salary audits to ensure pay parity.
- Establish policies for fair salary negotiations irrespective of gender.

### 3. Career Development Initiatives

- Provide mentorship programs for women to encourage leadership roles.
- Offer training programs to enhance women's skills and career progression.

### 4. Legal & Regulatory Compliance

- Strengthen enforcement of labor laws to protect women's rights in SMEs.
- Introduce incentives for businesses that adopt gender-inclusive HR policies.

### 5. Cultural Shifts

- Promote awareness campaigns on workplace gender equality.

Encourage female entrepreneurship and leadership participation in SMEs.

## Conflict of Interest

The authors showed no conflict of interest.

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