Gender Discrimination & Wage Gap in the Perspective of Banking Sector of Pakistan

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Abstract

The role of women all around the globe is undergoing a dramatic change as women role is emerging in every field of life. Women are nowadays share the spotlight with men and these trends are also reflected in banking sector either private or public. This study presents the findings of a research study conducted in the Banking sector of Pakistan to find the influence of gender discrimination and explore the earning gap between men and women in the sector. As in Pakistan gender discrimination is the most common issue faced by women. Although Pakistan was ranked as 2nd worst country in global gender gap index report 2020. This paper offers useful recommendations towards improving the condition of banking sector of Pakistan. In this paper quantitative research method was used, questionnaire paper was distributed in both private and public banks of Pakistan. The main aim of this paper is to discover the gender discrimination and the wage gap cause by discrimination.

Keywords: *Women, management, banking sector, gender, stereotypes, Gender Discrimination, Wage Gap, Employee Performance, Banking Sector of Pakistan.*

Introduction

Pakistan with over 224 million people and half of them are women is a developing country and facing a lot of problems like, poverty, illiteracy, unemployment, human rights violence, gender inequality and others. Gender discrimination is deeply rooted in Pakistan especially in employment sector of the country. Gender discrimination is a practice of unequal treatment between men and women at same level or post at workplace with same level of expertise and skills. Whereas, wage gap is defined as the earning difference between both the genders. In 2020 Pakistan was ranked 151th out of 153 countries on the global gender gap index report 2020, published by world economic forum. Women in Pakistan like other developing countries are treated inhumanly in many ways such as domestic violence, forced marriage, honor killing, acid throwing and so on. Women suffer a lot in this developing nation than men either at any stage of her life. She always depends on someone who takes decisions on behalf of her. In Pakistan many females are not allowed to work with men because it is against the honor of their family (Ahmed, 2019). Pakistan is a masculine country and in masculine country's males are considered to be assertive, ambitious and competitive on other hand women core responsibilities are child care and family. Whereas in feminine countries, both genders play important role both are considered to be equal. Pakistan is a masculine society where the perception about women is negative, male are encourage at workplace where women do not, even women's families are not supportive and allowed to participate in organizations (Amin, 2015). Women are discriminated since ages in the country. However, women are playing a vital role in the development of any countries. Women representation and their contribution towards the economy of a country has gone through a tremendous change in last few decades Moreover the global participation rate of women in national-level parliament is also increasing day by day (Mirza, 2020). There are multiple amendments has been passed by the government regarding women in Pakistan. After the creation of Pakistan 1947 only two reforms were introduce regarding women's right, first it to provide women divorce right and the other is to eliminate the gender based discrimination. Later on Mr. ZA Bhutto, considered as the land mark in the history of women development in Pakistan. In 1973 constitution he reserved the seats for

women in National Assembly and opened government services for women to apply (Hamid Iqbal). After that Gen. Zia ul Haq introduces Islamization program with purpose of making Pakistan "Islami jamhoriya" based on shariah and took many steps for women such as do purdah, avoid gaming, zina and so many other policies. Later on Benazir was elected as the first Prime Minister of Pakistan in 1988 and of Islamic world after Zia's period the progressive time starts and in those period Pakistan did a massive progress in gender equality but left behind the race of faster developing countries. Pakistan was also one of the supportive country of UN in 1975 on the eradication of all form of discrimination against women (Rotter, 2019). Gender discrimination has been an issue in Pakistan since independence. Therefore, different governmental and non- governmental organizations are working on it to resolve this issue (Kevin Miller, 2018).

Problem Statement

Gender discrimination is largely found in developing countries however it also exist in developed countries but the developing economies are suffering more from this issue. The aim of this study is to identify the influence of gender discrimination on gap in the banking sector of Pakistan. As we all know that Pakistan is a developing country and facing a lot of problems to develop faster as others, the purpose of the study is, what initiatives should be taken to eliminate gender discrimination and a gender wage gap between men and women.

Research Objectives

The main purpose of this research is to explore the gender inequality in Pakistan especially in banking sector of Pakistan and how gender discrimination affects the wage of an employee. This study can help both private and public banks to understand what are the main reasons of gender discrimination and how gender inequality in the workplace can be controlled and eliminate the wage gap.

Research Questions

1. What is the influence of gender discrimination on wage of an employee in banking sector?

2. Does gender stereotype, male management, favoritism and societal/cultural norms exists as a mediating role in gender discrimination?

Literature Review

Gender inequality is an unequal treatment between men and women and it cause gender discrimination. In gender discrimination men are given priority and advantages over women. i.e. in workplace men are placed at executive positions with higher pay, opportunities and rewards than women. Gender discrimination is an act in which women are facing different types of inequalities such as glass ceiling, gender segregation and stereotyping, gender wage gap, less authority, favoritism and many others. On the other hand gender wage gap is define as earning difference between men and women at same level, education, experience and tenure (Amin, 2015). Women and men are two different species with different characteristics and society assigned them different duties and responsibilities according to their gender. There are multiple causes of gender discrimination in Pakistan. Gender inequality is largely found in developing countries than developed countries. Men are earning higher than women. However it is predicted that men and women are expected to reach pay equality in 2059. Employers fix women wages from prior salary history in new jobs which means wage discrimination carries from years and from job to job. Therefore, women are being paid lesser than men since ages. Gender discrimination has been an issue in Pakistan since independence (Kevin Miller, 2018).

Human capital theory of wage discrimination suggests that wage is directly linked with productivity. Discrimination occurs when both gender with same productivity level are paid at different rates. Gender wage gap has been main focus of studies in Pakistan and it has been seen that wage discrimination is found in all of four provinces of Pakistan. However statics shows that in this period of growth attracts more females than male workers into the labor market providing more opportunities and reducing female unemployment rate. Whereas, this increase in female labor supply the gender pay gap is broad (Sabir & Aftab, 2007). The most common inequalities women face against themselves in baking sector are: gender stereotypes &

segregation, lack of job training and experience, education and marriage bar. Whereas the common reasons behind gender wage gap are: differences in education level, lack of mentoring facilities and sex segregation. Studies also suggests that gender wage gap can be decreased if equality comes under these reasons (Amin, 2015)**.**

Moreover, Pakistan has the worst gender imbalances in terms of gender pay gap according to the 'Global Employment Trends for Women' published by ILO in 2012. Furthermore, in its report 2015 they stated that, Pakistani women are paid less than their male counterparts and earn 38.5% less than men. The annual report of gender gap index 2013 published by world economic forum also positioned Pakistan at 135th out of 136th countries in terms of gender wage gap **(**Ansari & Moazzam, 2018). In global gender gap index 2018 by World economic forum, Pakistan was the 2nd worst country in the terms of gender equality, especially in the treatment of women ranked 148th out of 149 country, Yemen is at top. Tough, women participation increases in the country but it has not changed gender equality and inequality from women's employment status. Pakistan maintains the same position in 2019 as well. However measuring gender equality it can been seen in four sectors, education sector is at first economic opportunities sector at second, health sector at third and political empowerment ranked at fourth. World Economic forum also stated that women in Pakistan must wait 217 years to eliminate the gender wage gap from the country and get paid same as men. Moreover Pakistan has only 1% of women entrepreneurs because women are facing lot of challenges and problems such as limited access in market, finance and family support etc. **(**Mesitoh & Pramesti, 2020).

Hypothesis

H1. There is a significant influence of Gender discrimination on wage of an employee

H2.

  a) Gender stereotype mediates the gender discriminations
  b) Favoritism mediates the gender discriminations
  c) Male management mediates the gender discriminations
  d) Society/cultural norms mediates the gender discriminations

Research Methodology

This investigation is quantitative research in nature. The study uses both primary and secondary data to explore factors relating to the banking sector of Pakistan. While primary source includes survey questionnaire, consisting of about 15-20 questions. Whereas, secondary sources includes review of important documents, reports, articles, annual reports etc. the study was conducted in Karachi as Karachi is considered as a business hub of Pakistan. The target population consists of employees including male and female working in banks in Pakistan. The survey has been conducted from both female and male respondents. The aim of this study to see the influence of gender discrimination on wage of an employee in banks. Gender Discrimination is one of the main social problem around the globe. The independent variable in this research is gender discrimination whereas, wage gap is dependent variable. Questionnaire is on likert scale and are as under: i) strongly agree, ii) agree, iii) neutral, iv) disagree, v) strongly disagree. The sample technique which researcher used in this study is Random Purposive Sampling. The target population of this paper is employees who are working in banking sector (both public and private) of Pakistan. Due to the shortage of time and covid-19 Pandemic sample size is small. The number of respondents are 75. Researcher collect the data from employees working in banking sector and then analyze the data through SPSS software. The survey has been circulated via social media which were based on likert scale.

Reliability Statistics

It has been found that, the research instrument was reliable and valid as, the cronbach's alpha is more than 0.80.

Cronbach's Alpha	N of Items
.810	19

Findings

Hypothesis 1
There is a significant influence of Gender discrimination on wage of an employee

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Table 1

Correlations		GD	WG
GD	Pearson Correlation	1	.361[**]
	Sig. (2-tailed)		.002
	N	74	74
WG	Pearson Correlation	.361[**]	1
	Sig. (2-tailed)	.002	
	N	74	74

The results of the correlation between gender discrimination and wage in table 1 shows that there is weak effect of gender discrimination on wage of an employee which is R= 0.361, n= 74, p=0.002.

Hypothesis 2

a) Gender stereotype mediates the gender discriminations

Table 2

Correlations		GD	GS
GD	Pearson Correlation	1	.644[**]
	Sig. (2-tailed)		.000
	N	74	74
GS	Pearson Correlation	.644[**]	1
	Sig. (2-tailed)	.000	
	N	74	74

The results of the correlation between gender discrimination and gender stereotype in table 2 shows that there is a significant relationship between both variables which is R= 0.644, n= 74, p=0.00.

(b) Favoritism mediates the gender discriminations

Table 3

Correlations		GD	F
GD	Pearson Correlation	1	.646[**]
	Sig. (2-tailed)		.000

	N	74	74
F	Pearson Correlation	.646**	1
	Sig. (2-tailed)	.000	
	N	74	74

The results of the correlation between gender discrimination and favoritism in table 3 shows that there is significant correlation between both the variables which is R= 0.646, n= 74, p=0.00.

(C) Male management mediates the gender discriminations

Table 4

Correlations			
		GD	MM
GD	Pearson Correlation	1	.629**
	Sig. (2-tailed)		.000
	N	74	74
MM	Pearson Correlation	.629**	1
	Sig. (2-tailed)	.000	
	N	74	74

The results of the correlation between the variables in table 4 shows that there is significant correlation between both the variables which is R= 0.629, n= 74, p=0.00.

(d) Society/cultural norms mediates the gender discriminations

Table 5

Correlations		
	GD	SC

GD	Pearson Correlation	1	-.002
	Sig. (2-tailed)		.984
	N	74	74
SC	Pearson Correlation	-.002	1
	Sig. (2-tailed)	.984	
	N	74	74

The results of the correlation between the variables in table 4 shows that there is no correlation between both the variables which is R= -0.002, n= 74, p=0.984.

Regression Analysis

Table 6

Variables	Mean square	R	R square	t- value	B	Beta	significance	Hypothesis
Gender Discrimination with Wage gap	5.132	0.361	0.130	3.286	3.99	3.61	0.002	Accepted
Gender Discrimination with Gender Stereotype	10.170	6.44	0.415	7.150	0.562	0.644	0.000	Accepted
Gender Discrimination with Favoritism	.435	0.646	0.418	7.187	0.836	0.646	0.000	Accepted
Gender Discrimination with Male Management	0.348	0.629	0.396	6.870	0.714	0.629	0.000	Accepted

Gender Discrimination with Society/Cultural Norms	0.000	0.002	0.000	-.020	-.002	.115	0.984	Rejected

Regression analysis is helpful to see the impact of gender discrimination on wage gap, gender stereotype, favoritism, male management, society/cultural norms. R square shows the impact of gender discrimination on wage gap is 0.130, gender stereotype 0.415, favoritism 0.418, male management 0.396 and society/cultural norms 0.000. Whereas t-value of gender discrimination with wage gap is 3.286, gender discrimination with gender stereotype 7.150, gender discrimination with favoritism 7.187, male management 6.870 and Society/Cultural norms -0.020.

Discussion and Conclusion

Pakistan is considered as one of the top country in terms of gender discrimination and gender wage gap but study results show different side of picture. The study results lead us to different dimensions of gender discrimination. Researcher took the data from the banking sector which have different perspective for females. According to the results majority of the respondents society/culture have negligible impact on gender discrimination.

Pakistan is considered as one of the top country in terms of gender discrimination and gender wage gap but study results show different side of picture. The study results lead us to different dimensions of gender discrimination. Researcher took the data from the banking sector which have different perspective for females. According to the results majority of the respondents society/culture have negligible impact on gender discrimination. Pakistani culture offers female such type of leverages like women are not supposed to work for more than 9 hours a day, no night shifts are given to them and no extra pressure or overtime is imposed on them. Paid maternity leaves are also given to female employees and many other benefits. However male

employees are not applicable to all those benefits. Results also indicates that there is a weak relationship between gender discrimination and wage whereas gender stereotype, favoritism and male management have significant relationship with gender discrimination. From the data analysis it has been seen that in baking sector women having fewer problems and having supportive attitude from parents. Employees working in banking sector are also satisfied from their salaries but disappointed from favoritism culture at workplace. With all these analysis, majority of the respondents consider banking sector good for women in order to work for the nation the country becomes a strong country.

As the number of female employees is increasing day by day in the banking sector, management needs to review the organizational policies by making them more women friendly and need to establish effective HRM departments to form better policies and their effective implementations. Organizations should have proper compensation system for both male and female employee. At an individual level women also needs to know their worth and educate themselves and broaden the horizon so as to break away from the stereotypical behavior. The government also needs to take an active part to the culture of the country and eliminate the gender based discrimination and wage gap among them. Government should make sure that every organization within the country provide equal opportunities to both male and female employee. Furthermore as research results shows that the parents are supportive but the moral values of the society create problems there for women should communicate society in order to build trust regarding the transparency of the sector.

Pakistani culture offers female such type of leverages like women are not supposed to work for more than 9 hours a day, no night. The results shows that, discrimination on wage gap, gender stereotype, favoritism, male management, society/cultural norms, similarly the R square shows the impact of gender discrimination on wage gap is 0.130, gender stereotype 0.415, favoritism 0.418, male management 0.396 and society/cultural norms 0.000. Whereas t-value of gender discrimination with wage gap is 3.286, gender discrimination with gender stereotype 7.150, gender discrimination with favoritism 7.187, male management 6.870 and Society/Cultural norms -0.020. The researcher concludes at the end that, there is a significant relationship between gender discrimination and wage gap in Pakistan.

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