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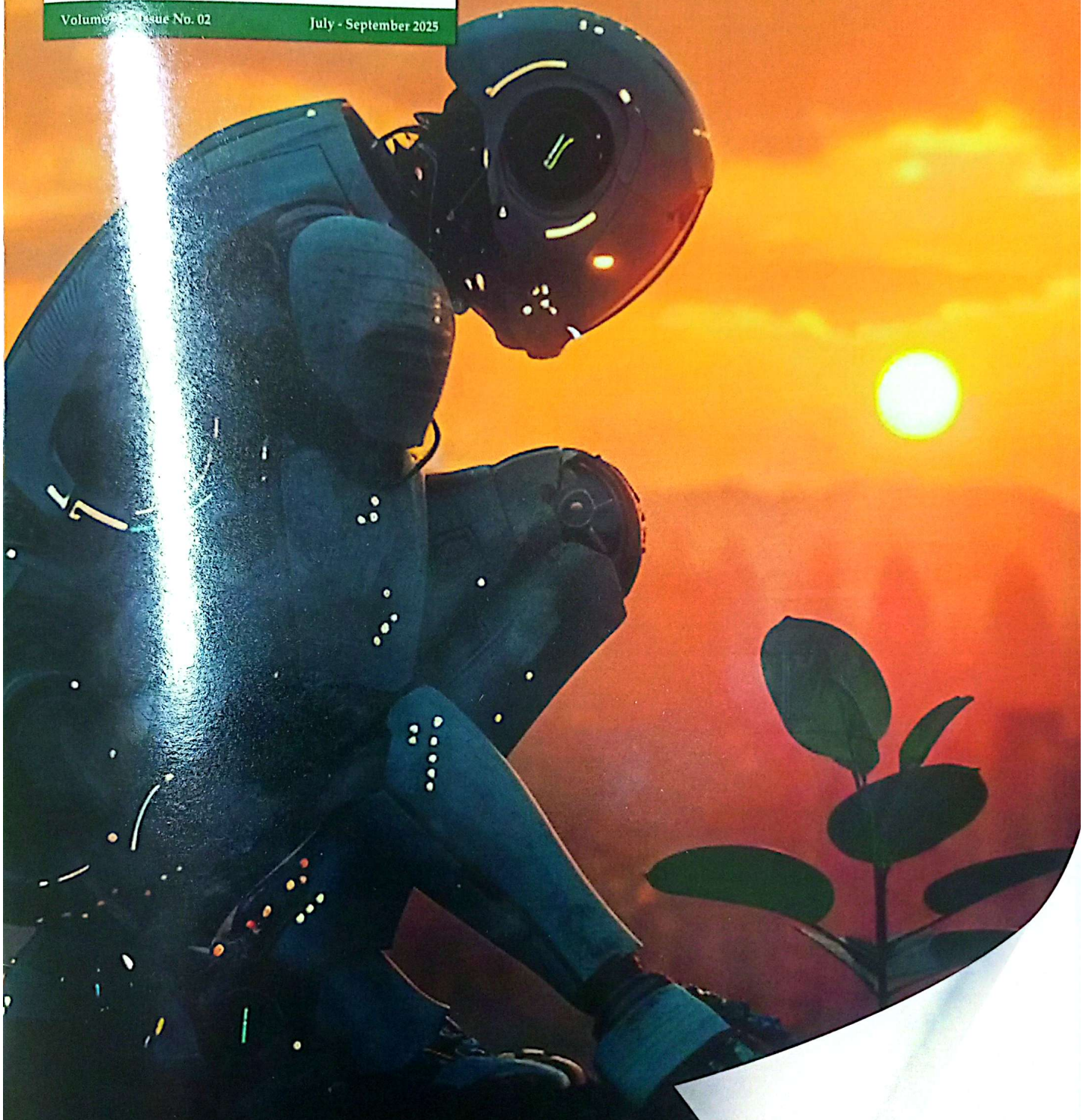
Banking and Finance

P A K I S T A N

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BRIDGING THE GAP
Turning Compliance into Culture



**BUILDING AN AI-ENABLED
BANKING FUTURE IN PAKISTAN**
ADOPTION TRENDS, POLICY SUPPORT
AND ECONOMIC IMPACT



BRIDGING THE GAP

Turning Compliance into Culture



Contributed exclusively by:

**Federal Ombudsperson Secretariat
for Protection Against Harassment
(FOSPAH)**



Trust is the real currency that keeps workplaces running, and in banking, it holds exceptional value. Every interaction, every approval, every client exchange depends on it. This allows teams to function smoothly in an environment built on precision, timelines, and hierarchy. However, trust doesn't just come from systems; it comes from feeling safe within them. Most banking spaces are calm, structured, and efficient, but also guarded. People speak carefully, avoid confrontation, and maintain composure. Over time, silence becomes a form of professionalism. Yet that same silence can sometimes hide discomfort.

Through the cases and experiences handled by the Federal Ombudsperson Secretariat for Protection Against Harassment (FOSPAH), a recurring pattern has emerged, many employees, particularly women, choose not to speak up about harassment. Not because they are unaware of their rights, but because they fear being labeled "difficult" or risking their careers. That quiet hesitation says a lot about what our workplaces value, and what they overlook.

This article draws on those real cases and experiences to reflect on how financial institutions can move from compliance on paper to protection in practice. It explores the cultural barriers that keep employees silent, the value of empathetic enforcement, and how FOSPAH continues to help bridge that gap, turning silence into safety and policy into trust.

Representation and Reality of Inclusion

Across Pakistan's banking sector, progress toward gender diversity has been steady but uneven. While women are increasingly visible in entry and mid-level roles, their representation drops sharply in senior management and board positions. This imbalance is not always the result of overt exclusion, but of long-standing institutional habits and structures designed at a time when women's participation in finance was minimal, and which have been slow to evolve.

It was this recognition that led the State Bank of Pakistan (SBP) to introduce its "Banking on Equality Policy", a framework meant to turn that quiet imbalance into conscious reform. The policy set out to make women's participation not symbolic, but structural. It asked financial institutions to increase women's workforce ratio from 13% to 20% by 2024, to ensure at least one woman sits on every board, and to expand women's presence as branchless banking agents from 1% to 10%.

and conduct gender sensitivity training to challenge ingrained bias. The results so far show movement in the right direction. Over 13,000 women have been hired, and representation has grown from 13% to 17%, with women's hiring increasing by 43% compared to men's 9%¹. Yet even in this progress, a telling pattern remains: most institutions have appointed one woman to their boards, fulfilling the letter of the directive, but rarely more. That is where the question arises: is inclusion being pursued as a policy target, or as a value?

From FOSPAH's perspective, this distinction lies at the heart of workplace equity. The Protection Against Harassment of Women at the Workplace Act, 2010, protects all employees, but it is women in male-dominated fields who often face the sharpest end of silence. Real compliance, therefore, begins not in documents or posters, but in culture, where representation is lived through participation, and policy is felt through protection.

The Law in Practice

Representation without protection is rarely sustainable. Recognizing that inclusion is incomplete without security, Pakistan enacted the Protection Against Harassment of Women at the Workplace Act, 2010, a landmark law affirming every employee's right, regardless of gender, to work in an environment free from intimidation or bias.

The Act defines harassment broadly, encompassing any unwelcome sexual conduct, whether verbal, physical, or non-verbal, that interferes with an employee's dignity or creates a hostile work setting. With its 2022 amendment, the law went further to address gender-based discrimination, acknowledging that inequitable treatment or exclusion can be just as damaging as overt harassment. To operationalize these protections, the Act requires all organizations, including banks and other financial institutions, to constitute Inquiry Committees of three members, one of whom must be a woman, to investigate complaints and recommend action.

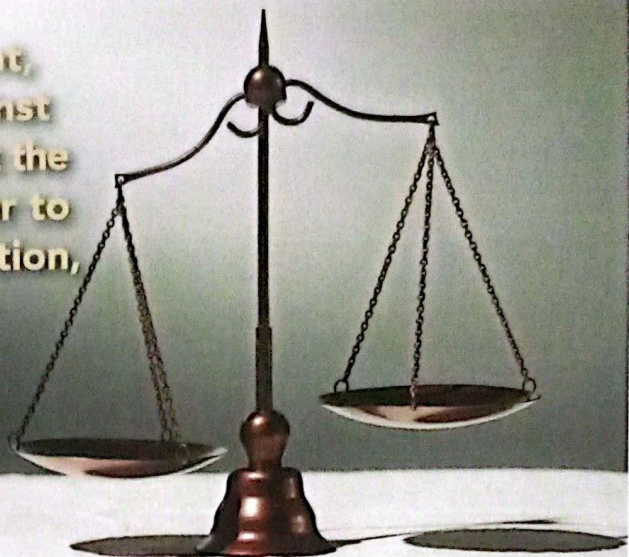
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The intent was broader than numbers. The SBP envisioned women's financial inclusion as a pillar of economic stability, instructing banks to establish Women's Financial Services Departments, place women champions at 75% of customer touchpoints,

¹ <https://financialinclusionforwomen.org/news-events/making-womens-financial-inclusion-a-policy-priority-an-interview-with-the-state-bank-of-pakistan/>



“ With its 2022 amendment, the law [Protection Against Harassment of Women at the Workplace Act, 2010] went further to address gender-based discrimination, acknowledging that inequitable treatment or exclusion can be just as damaging as overt harassment.”



Oversight and appellate authority lie with the FOSPAH, which is a quasi-judicial body empowered to adjudicate cases of harassment and gender-based discrimination. FOSPAH holds jurisdiction over federal institutions and trans-provincial organizations, a category that includes banks operating nationwide. It not only reviews appeal against internal inquiry decisions but also ensures that organizations comply with the spirit and purpose of the law.

FOSPAH's Lens on Workplace Culture

Despite significant progress, the distance between policy and practice remains quietly visible. Between 2023 and 2025, the FOSPAH Karachi received 29 cases which originated from the banking sector. The figure is not alarming, rather, it is revealing. It reflects a sector that has taken structural steps to comply with the law, but continues to face challenges in translating that compliance into everyday confidence.

Within many financial institutions, women still navigate complex professional hierarchies where hesitation often replaces reporting. The decision to stay silent is rarely about unawareness of rights, it is shaped by concerns about perception, career stability, and the subtle costs of speaking up. For some, leaving quietly feels easier than being misunderstood. These choices do not expose institutional failure, but rather point to a system still learning how to listen with intent.

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This quiet reality was echoed in one of FOSPAH's banking cases. While the complaint could not be proven under the legal threshold of harassment, the Forum's concluding remarks were telling:

“29. ...This matter, though largely administrative, highlights an opportunity for the Bank to take proactive measures to foster a more inclusive and harmonious workplace culture... A compliance report indicating the measures taken by the Bank's management to ensure a conducive work environment should be submitted to this Forum.”

The observation captures the essence of the challenge; progress cannot rest on procedural closure alone. True inclusion is measured not when the law has been satisfied, but when its spirit is fully alive within the workplace.

Likewise, a recent FOSPAH decision illustrates how these tensions manifest in practice. The Complainant, a Group Head of Business with over twenty years of service, alleged that her forced resignation and denial of severance benefits constituted gender-based discrimination. FOSPAH, after extensive proceedings, found that the Bank forcing her resignation to install a male candidate of their own choosing revealed a *“Think Manager, Think Male”* bias, a phenomenon recognized by Virginia E. Schein², stating

“This appears to be the result of ‘Think Manager, Think Male’ bias which assumes that managerial success is more closely associated with male traits.’ Women in leadership roles especially in fields or positions typically dominated by men, such as in banking, are often subjected to greater scrutiny and skepticism compared to their male counterparts. This skepticism may result in less favorable evaluations, leading to situations where women are unjustly penalized for poor company performance that may not be their fault”

In its landmark order, FOSPAH held:

“22. ...She was the Bank's most senior female employee and the only one to attain her rank

² Virginia E. Schein, A Global Look at the Psychological Barriers to Women's Progress in Management, 57 J. SOC. ISSUES 675, 675-76 (2001) [hereinafter Schein 2001], Virginia Ellen Schein, Relationships between Sex Role Stereotypes and Requisite Management Characteristics among Female Managers



based on her own merit. Positioned just one level below the President/CEO, her advancement was nevertheless obstructed by the Bank which, due to her gender, established a glass ceiling that limited her upward mobility."

The Forum went on to emphasize that token representation or well-drafted gender policies cannot, by themselves, erase prejudicial mindsets.

"25. A gender policy, token representation on the Board or sporadic payment of benefits to female employees does not automatically eliminate discriminatory practices within an organization."

In addition to imposing penalties on the accused, directions were also given to the Bank, including the constitution of a standing inquiry committee, display of code of conduct, and training of committee member to reinforce a broader truth: structural compliance must evolve into cultural commitment. The case underscores that progress in gender equity is not measured merely by policy existence, but by how confidently employees can seek redress without fear of subtle repercussions.

When viewed through this lens, every unreported discomfort or quiet resignation represents more than an individual loss; it is an organizational cost. Financial institutions invest heavily in cultivating expertise and leadership, however when capable professionals leave in silence, institutions lose not only talent but trust. Ensuring that workplaces feel safe, fair, and responsive is not just a matter of legal compliance, it is a measure of institutional integrity.

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Credibility Over Compliance: The Next Step Forward

Laws can compel compliance, but awareness nurtures accountability. Recognizing that prevention is as crucial as redress, FOSPAH operates under a dual mandate: not only to adjudicate complaints of harassment and gender-based discrimination but also to prevent their occurrence through awareness, capacity-building, and oversight. Its mission is as much about creating understanding as it is about ensuring enforcement.

In line with this preventive role, FOSPAH has undertaken extensive awareness initiatives, reaching out organizations through workshops, consultations, and institutional partnerships. One notable example is the session conducted in collaboration with the National Institute of Banking and Finance (NIBAF) Pakistan. The session, centered on "Harassment at the Workplace," was met with an overwhelmingly positive response from participants. The session encouraged open dialogue on gender sensitivity, professional conduct, and the mechanisms available for compensation. Its success has sparked ongoing discussions for future collaborations, aiming to make such capacity-building exercises a consistent feature within the sector's professional training programs.

Parallel to these awareness efforts, FOSPAH also carries out institutional inspections to assess compliance with the Protection Against Harassment of Women at the Workplace Act, 2010. These inspections examine whether organizations have properly notified inquiry committees, displayed Codes of Conduct, and established internal complaint mechanisms. Encouragingly, the banking sector has demonstrated strong procedural compliance, reflecting a growing institutional awareness of legal obligations.

However, compliance alone does not guarantee effectiveness. The critical question remains: are these mechanisms functioning as intended? Are inquiry committee members adequately trained to handle investigations with fairness, confidentiality, and legal precision? The inspections revealed that while many organizations meet the formal requirements, the quality of implementation varies considerably.

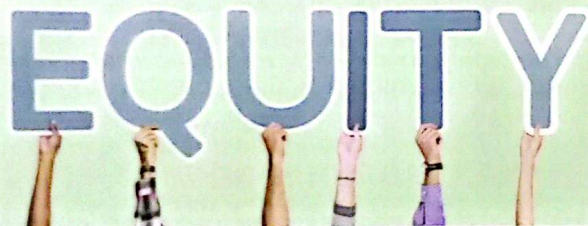
A well-functioning inquiry committee must balance sensitivity with impartiality, ensuring that every complaint is examined with both procedural diligence and an understanding of workplace dynamics. The objective is not to side with the complainant or the accused, but to uncover the truth through due process. This requires

continuous training, not only in the legal provisions of the Act but also in investigative techniques, evidence assessment, and professional conduct.

FOSPAH's preventive mandate, therefore, goes beyond awareness; it is about building institutional capability. A compliant organization is one that does not merely meet statutory requirements but demonstrates confidence in its internal mechanisms. When committee members are well-trained, employees know that if a complaint arises, it will be handled professionally, confidentially, and fairly.

Ultimately, true compliance is measured not by the presence of committees or a displayed code of conduct, it is defined by the credibility of their process. Policies can create structure, but training sustains trust, and in that trust lies the foundation of safer, stronger workplaces.

“ FOSPAH's preventive mandate goes beyond awareness; it is about building institutional capability. ”



Equity in Inclusion

As institutions move from procedural compliance to credible implementation, it becomes equally important to reflect on who these mechanisms are meant to protect. The Protection Against Harassment of Women at the Workplace Act, 2010 provides a clear answer, but one that is often overlooked. The s.2 (e) of the Act defines "Complainant" as "any person who has been subjected to harassment." The deliberate use of the word "person" underscores that protection extends to all, men, women, and transgenders. This inclusive approach reflects a principle that lies at the heart of FOSPAH's work: every individual deserves a voice and a fair hearing. The Forum continuously encourages anyone facing harassment or discrimination, regardless of gender or position, to approach it without fear of prejudice or consequence.

However, when viewed through the lens of financial institutions, the conversation around inclusion must also account for structural imbalance. Banking, by tradition and hierarchy, remains a male-dominated field, from boardrooms to branch management. It is within this imbalance that the pursuit of equity becomes not a preference, but a necessity. Equality assumes uniform opportunity but equity recognizes unequal realities and seeks to correct them.

In this context, gender-intentional measures are not about preference; they are about progress. It is not enough to hire women; institutions must also retain them. Retention depends on safety, and safety begins where confidence replaces fear. For that to happen, women must know that if a complaint arises, it will be heard, not questioned. In male-dominated sectors like banking, giving women visible representation on inquiry committees and leadership forums is not an act of bias; it is a necessary correction, because equality cannot thrive in theory, it must be built into the everyday mechanisms that make workplaces fair, credible, and secure.

Equity, therefore, is not an alternative to equality, it is the path that makes equality possible. In sectors where confidence grows unevenly, equity becomes the bridge that transforms legal protection into lived assurance, ensuring that safety, dignity, and opportunity are not privileges, but shared realities.

Conclusion: From Compliance to Conviction

The progress made within Pakistan's financial sector cannot be dismissed, policies have been drafted, frameworks strengthened, and representation slowly widening. Nonetheless, beneath this progress lies a quieter truth: true inclusion is not achieved when women are merely hired, but when they are retained, respected, and heard without hesitation.

For the banking sector, one that is long shaped by male-dominated hierarchies, the path forward demands more than procedural compliance. It calls for cultivating spaces where women feel secure in both their presence and their participation. Hiring women is only the first step; retaining them requires a culture that safeguards dignity, ensures equity in opportunity, and allows their voices to carry weight in decisions that shape their workplaces.

In an environment where confidence and competition intertwine, women do not require favoritism but fairness, systems that recognize the additional hurdles they face and consciously remove them. Preference, in this sense, is not partiality; it is protection, a necessary balancing force in institutions still learning to unlearn inherited biases. A workplace that protects its people is not one that never faces complaints, but one that ensures those complaints can surface without fear.

This is the spirit that anchors FOSPAH's work, translating legal protection into lived assurance. Each awareness session, inspection, and order issued by the forum echoes a simple belief: laws can mandate equity, but it is culture that sustains it.

Institutions that hold the nation's trust, like banks, must prioritize culture above all, because when every employee, regardless of gender, feels safe to speak up, the silence that once concealed discomfort transforms into a culture of confidence. That shift, from silence to certainty, is where genuine progress begins, and where the promise of equity finally becomes real. ■