

Vaishali Jain, Lala Rukh Khan, Sarah Xu, Julia Wu, Alieha Shahid,  
Kate Vyborny, Erica Field, Rob Garlick, Nivedhitha Subramanian

# Understanding gender barriers in the Pakistani labour market

## A deep dive in the job search process



### In brief

- The emerging reasons behind low female labour force participation rates in developing countries are a lack of access to safe transport, social norms, and the burden of household responsibilities. However, one area which has received less attention is the job search process itself.
- We use data from a job search platform in Lahore, Pakistan, to discuss the differences in job search across men and women and study how women face unique barriers at every major stage of entering the labour market in Pakistan.
- Among those who want to work, men are more likely than women to search actively for jobs. The most prominent job search method for both jobseekers and firms is searching through networks. However, women face some information frictions in searching through networks.
- Women set their salary expectations much lower than men. Also, the gender pay gap in posted salaries increases with education and firm size.
- Working women often face late working hours and many workplaces do not have appropriate facilities for women, nor offer maternity leave to female employees.

*This project was funded by IGC Pakistan*

## Overview of the research

Increased female labour force participation has the potential to contribute significantly to economic growth and individual welfare. Doepke, Tertilt, and Voena (2012) find that economic development of women leads to expanding women's rights, both politically and socially, and vice versa<sup>1</sup>. Policy changes in recent years have encouraged women around the world to seek opportunities in the workforce in increasing numbers, yet global female labour force participation remains low at 49%, nearly 27 percentage points lower than the rate for males<sup>2</sup>. Pakistan's female labour force participation (FLFP) is even lower at 22% - ranking among the lowest in the world. The emerging reasons behind the low female labour force participation rate include a lack of access to safe transport, social norms, and time constraints due to household responsibilities<sup>3</sup>. However, one area which has received less attention in research is the job search process itself. In this policy brief, we attempt to fill this gap by discussing the differences in job search between men and women and analyzing how women face unique barriers at major stages of entering the labour market, even after they overcome the initial social and time constraints impeding their entry into the workforce. In particular, we seek to address the following questions about the job search journey for male and female jobseekers in Pakistan:

- What methods do employers use for hiring and how does it interact with the job search methods of male and female job seekers?
- What are the differences in compensation between men and women and how does it compare with the salary expectations of job seekers?
- Once hired, what facilities do employers provide to female employees and how does the availability of these facilities vary with the interest in hiring female employees?

To study these questions, and others related to labour market frictions in urban Pakistan, researchers at the Center for Economic Research in Pakistan have created a job search platform in Lahore, Pakistan called Job Talash. This platform generates data for over 10,000 jobseekers and 1,200 firms in Lahore. The sample for the Job Talash service is drawn from Lahore, Pakistan, a metropolis of over 10 million. For initial enrolment of jobseekers into Job Talash, 50,000 households were listed in a clustered random sample of households across metropolitan Lahore. Each household member was asked if s/he was interested in signing up for Job Talash and detailed information was gathered from interested individuals on their education, work experience and job search preferences. For enrollment of firms into the Job Talash platform, we listed a representative sample of firms across Lahore. Enumerators offered these firms the opportunity to enroll into the Job Talash service and list vacancies with it. This included both large, formal firms and small, informal firms. For each new vacancy listed on the platform, the team identified matching applicants, informed applicants about vacancies and then sent CVs of interested applicants to the firm. Later, follow up data was collected from firms on applicant interviews and placement. To date, the system has generated data on over 1,000,000 potential job matches sent to applicants.

The use of the Job Talash platform is unique for this research because unlike other studies using labour force surveys, data from a job platform enables us to observe each step of the job search process, from both the job seeker and employer side. Through this platform, we are conducting a series of experimental research studies on labour market frictions in urban Pakistan that shed light on both the supply and demand-side factors affecting labour market outcomes.

---

<sup>1</sup> Doepke, M., Tertilt, M., & Voena, A. (2012). The economics and politics of women's rights. *Annual Review of Economics*, 4, 339-372. <https://doi.org/10.1146/annurev-economics-061109-080201>

<sup>2</sup> [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---inst/documents/publication/wcms\\_557077.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---inst/documents/publication/wcms_557077.pdf)

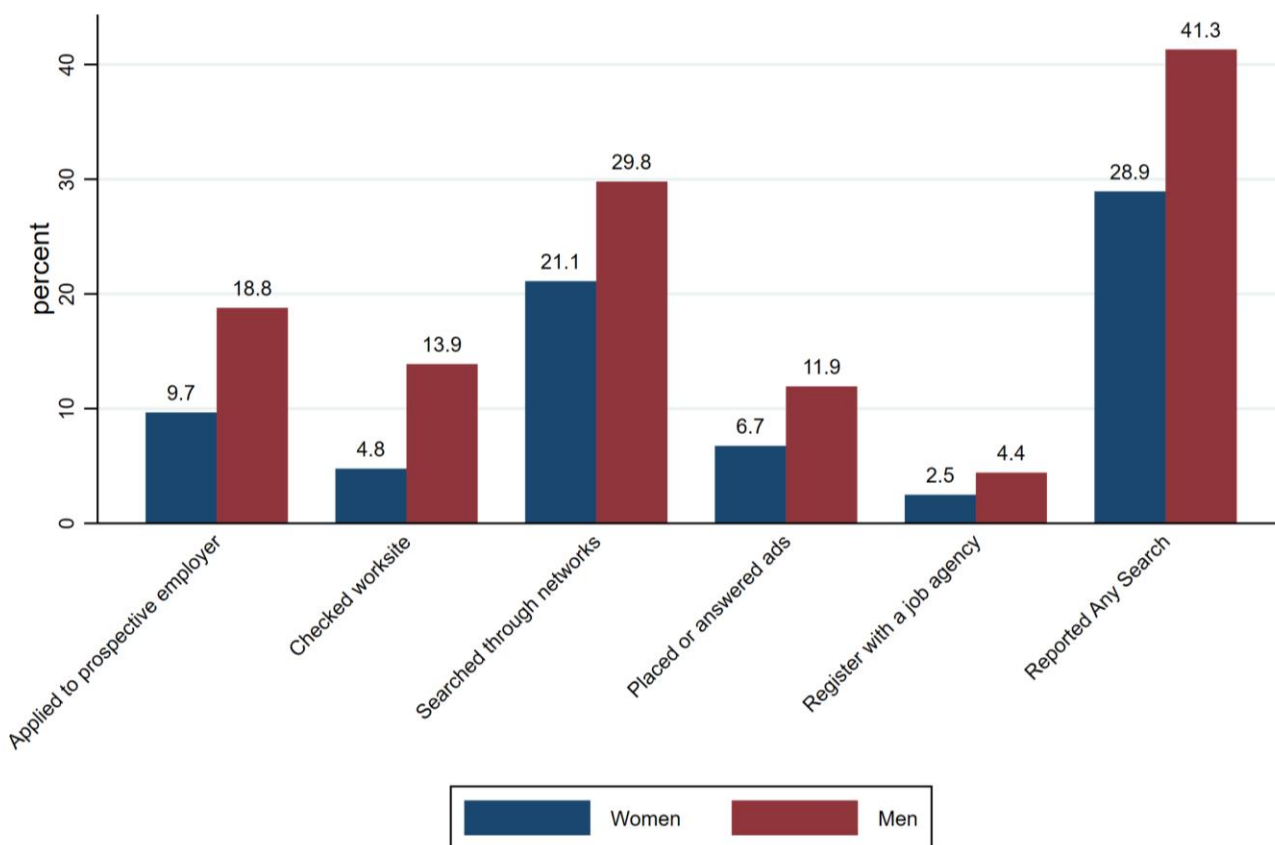
<sup>3</sup> Seema Jayachandran, 2019. "Social norms as a barrier to women's employment in developing countries," WIDER Working Paper Series wp-2019-74, World Institute for Development Economic Research (UNU-WIDER).

## Key insights

### Among those who want to work, men are more likely than women to search actively for jobs

An analysis of Job Talash data reveals that men who are interested in working, search for jobs at different rates and using different methods compared to female jobseekers. In particular, we find that men are more likely than women to search for jobs with 41% percent of men searching for jobs using any search method compared to only 29% percent of women. The same pattern emerges when data on search is compared between men and women for each job search method, as shown in Figure 1. Further analysis reveals that this difference is not due to differences in education and work experience between male and female jobseekers. When men and women at the same education level (people with advanced education) are compared, we find that the difference in search behavior still exists with 54% men actively searching compared to 41% women actively searching for jobs. This difference also persists for men and women who have more than 3 years of work experience, with 44% of men in this category actively searching for jobs, compared to only 35% of women.

Figure 1: Men are more likely than women to search actively for jobs



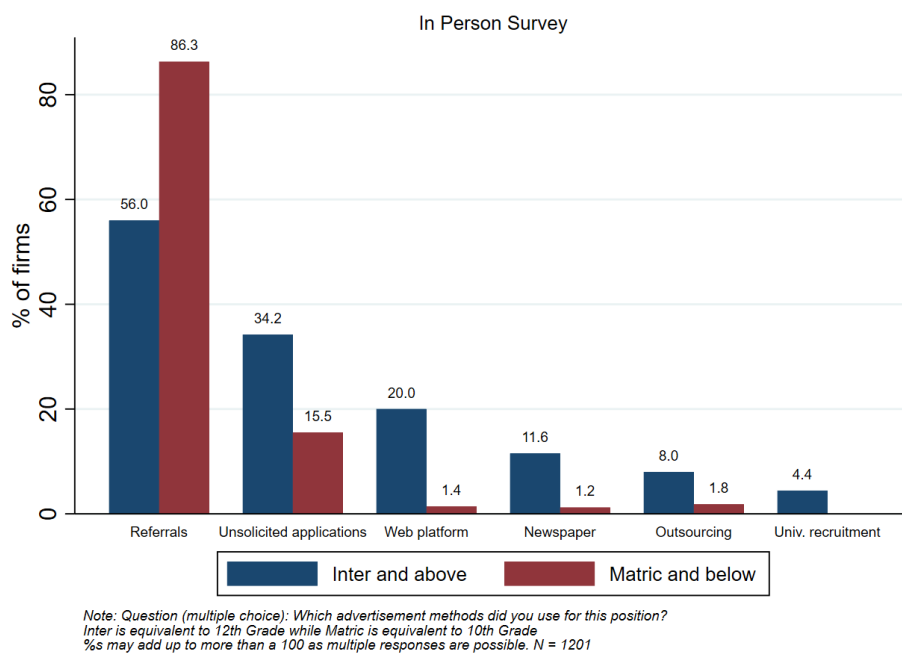
Note: The sample consists of people who signed up for Job Talash. There are 7209 males and 3335 females in the sample.

### Searching through networks is the most prominent job search method for both jobseekers and firms

On the job-seeker side, searching through networks is the predominant job search method regardless of gender. Networks play a vital role on the firm side as well, with the majority of employers reporting that they fill positions in their organisations through referrals. 86% of firms hiring for people who have completed 12th grade and 56% of firms open to hiring people who are less educated used referrals to recruit candidates. While firms largely recruit through referrals for all roles, women are less likely to

search through their networks to find jobs. This suggests an important barrier women face in the job search: since women search through networks less than men, they may not be learning about the job opportunities available to them.

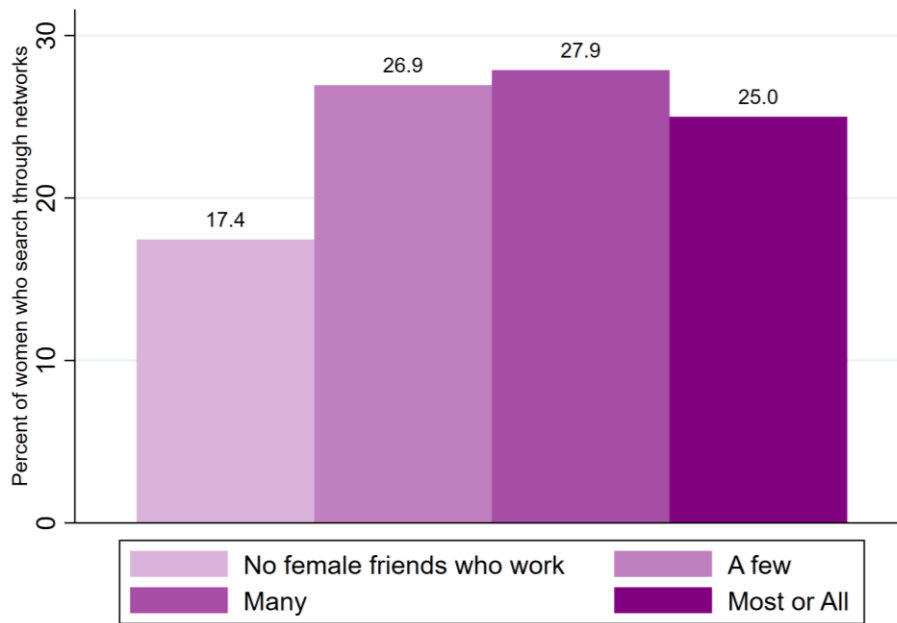
**Figure 2: Firms largely recruit through referrals**



### Women with friends who work are more likely to search through networks

One potential reason for the trend that women search through networks less than men is that women do not know many other women who work. In the Job Talash sample, 62% of women have no female friends who work and 22% of women only had a few. Moreover, among women who expressed interest in searching for jobs through signing up for Job Talash, we find that women who reported having a few or more female friends who work are 10 percentage points more likely to search through networks than women who have no female friends who work. There is not a significant difference in the percentage of women who search through networks between women who have a few, many, or almost all female friends who work. This suggests that a woman who has any female friends who work will ask those friends about job openings. However, women with more female friends who work are more likely to be successful when they search through networks because they have more connections.

**Figure 3: Women who have friends who work are more likely to search through networks**

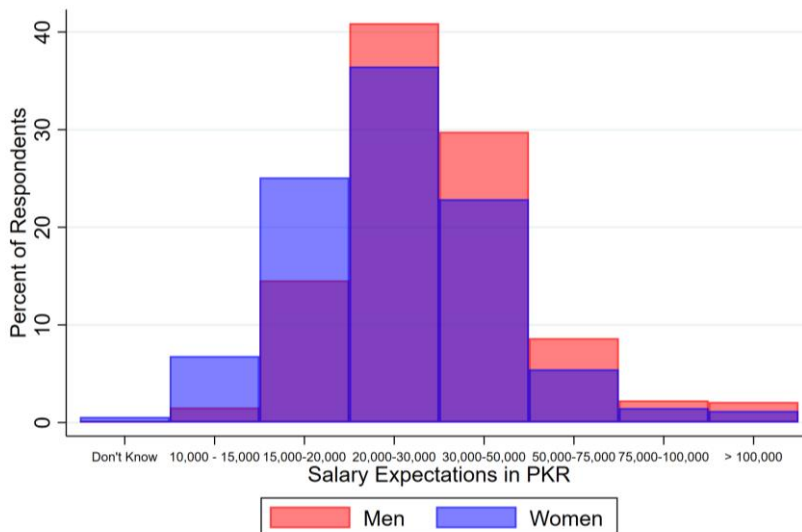


Note: The sample consists of females who signed up for Job Talash. n = 3211.  
 n = 1989 for no female friends who work, n = 720 for few female friends who work,  
 n = 122 for many friends who work, n = 380 for most or all female friends who work.

### Women set their expectations for salary much lower than men

Men are much more likely to expect higher salaries than women, especially for higher salary bands. For instance, 32% of women set their salary expectations below PKR 20,000 (~ USD 125) per month, which is just over the minimum wage in Pakistan (PKR 17,500). On the other hand, only 16% of men have salary expectations below 20,000. The gap between the average salary expectations of men and women increases with education. At the highest education levels, we find that the average salary expected by men is 27% higher than the salary expected by women with the same education.

**Figure 4: Women set their salary expectations lower than men**

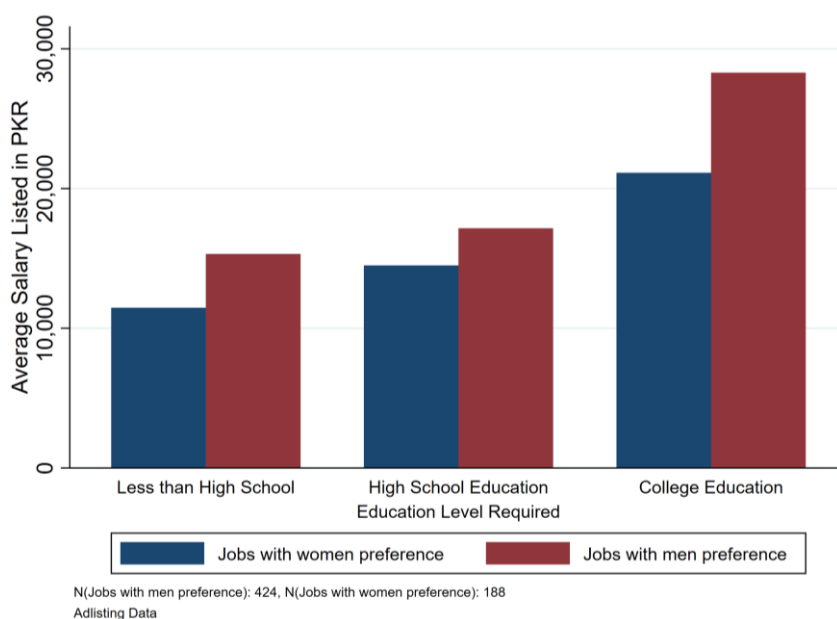


N(men): 5,206 N(women): 2,421  
 Job Talash Sign Up Data

## Men are paid more than women and the pay gap increases with education and firm size

For approximately 62% of occupations included in the sample, men are paid more than women. Differences in occupation do not explain the gender gap in posted salaries. For the same educational requirement, jobs listings with a preference for male candidates offer higher salaries on average than those with a preference for female candidates. With a 33% difference in average salary, the gender pay gap is highest for jobs requiring college educated candidates. As firm size increases, the average salary offered by job listings open to both male and female candidates increases, while the gender gap also increases. Regardless of firm size, the average salary offered to male job candidates is always greater than the average salary offered to female job candidates. The average salaries listed by firms with mixed-gender workplaces are higher than those listed by firms that are male or female-dominant (firms that have completely or mostly male/female) and have a smaller gender pay gap; in fact, the average salary offered to female job candidates by firms with mixed-gender workplaces is only 4% higher than the average salary offered to male job candidates in those same workplaces.

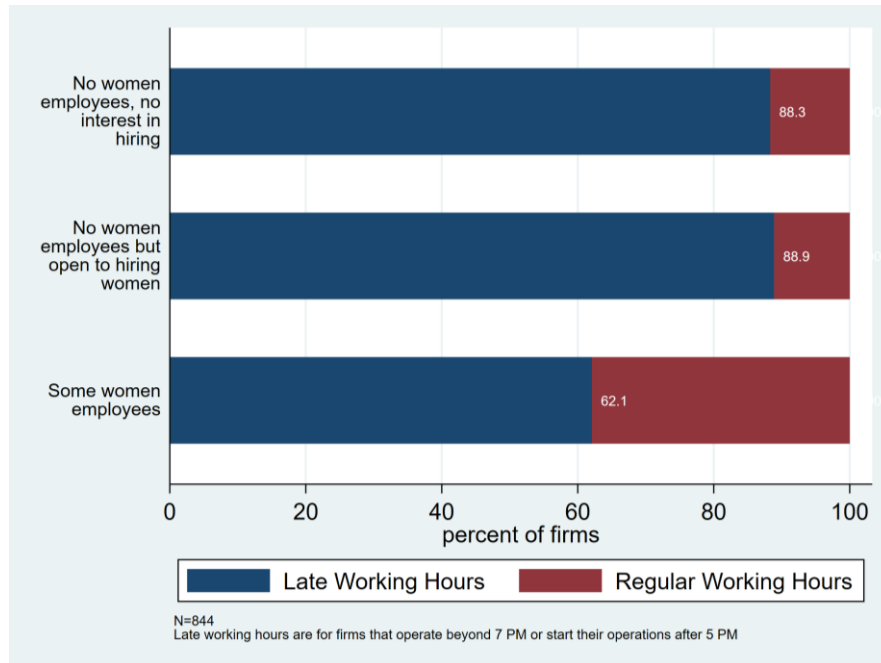
**Figure 5: The gender pay gap grows with education**



## Female employees face late working hours

Late working hours, outside of the 9 AM - 7 PM window, are likely to create an unfavourable environment for female labourers, especially in the context of Pakistan where women face several constraints while travelling at night and cultural norms discourage women being outside the home at night. For this reason, many women's decision to work might depend on having work hours that do not go beyond 7 PM. Descriptively, we find that most firms have late working hours, even when we break it down by gender composition of the firm. We define "late working hours" as any firm that operates beyond 7 PM or starts their operations after 5 PM. We find that 62% of the firms that have at least one female employee had late working hours. Those with no female employees have an even higher percentage of firms that have late working hours. We also find that smaller firms that belong to service, wholesale and accommodation and food service industries have a larger percentage of firms that have late working hours.

**Figure 6: Female employees face late working hours**



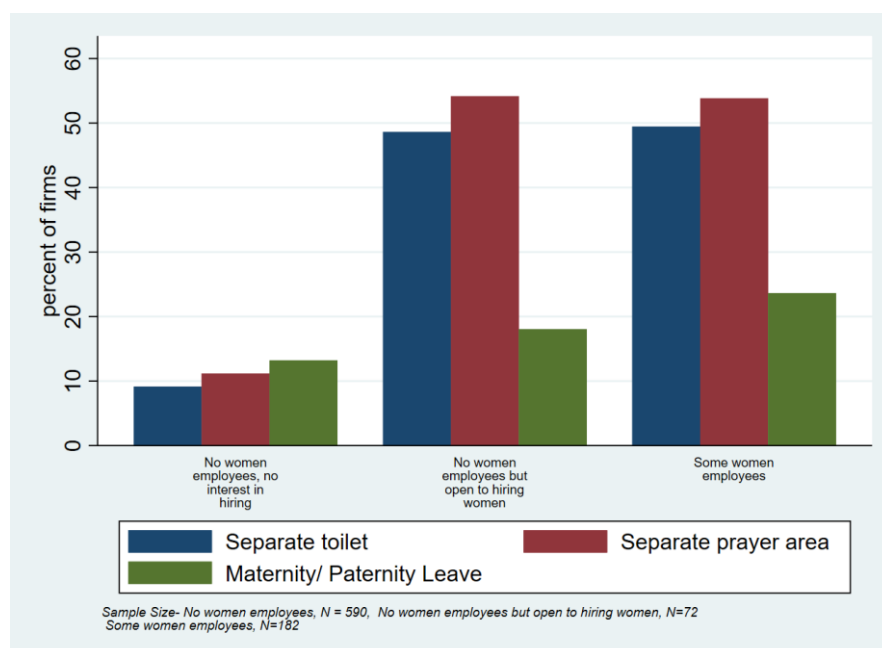
### **Many workplaces do not have appropriate facilities for female employees**

In addition to working hours, the provision of certain facilities at the workplace also plays a role in creating an inclusive environment for women. In a conservative society like Pakistan, where intermingling of the sexes is strongly regulated, having a gender segregated toilet and prayer area are considered essential for women. We therefore analysed whether workplaces in Pakistan are able to provide these facilities for women. However, we found that only 50% of the workplaces with female employees have a separate toilet. We observe slightly higher percentages for separate prayer facilities.

### **Most workplaces do not offer maternity leave for female employees**

In a patriarchal society like Pakistan, many women face the choice between having a career and attending to domestic responsibilities. Thus, many women tend to leave their jobs when they expect a child, and most of them do not return to their careers. In such an environment, maternity leave can help many women stay in the labour market when they have a child. However, only 25% of the employers that have female employees offer maternity leave.

**Figure 7: Many workplaces do not have appropriate facilities for female employees**



## Policy recommendations

- The evidence above demonstrates that the gender pay gap is not explained away only by differences in men’s and women’s education.** This is evident not only from job postings listed by firms but also from salary expectations listed by jobseekers. This suggests the need for more research to test the effectiveness of specific policies that might serve to reduce the differential in pay between men and women in the context of Pakistan. In addition, the brief also demonstrates that mixed gender employers are most likely to pay women and men equally, which suggests that further research is also needed on policies that encourage and facilitate employers to create more gender diverse workplaces.
- Lack of basic facilities, such as a separate toilet, and late working hours might be important deterrents for women who wish to enter the workforce but do not think the workplace environment in offices is facilitative to their needs.** We find that despite a willingness to hire female staff, less than 40% of the firms in our sample offer a separate toilet facility for women. If firms want to employ and retain female employees, there is a need to invest in suitable workplace infrastructure and policies targeted towards making women feel safe and comfortable. Our data suggest that currently only larger firms, with a larger employee size, invest in creating female friendly work spaces. Financial incentives might encourage smaller firms to invest in basic facilities for female employees such as separate toilets and prayer areas. While the government has passed a number of laws that make it mandatory for employers to provide day care facilities if the number of female employees at their workplace reach a particular cap<sup>4</sup>, there is evidence that [compliance to these laws is very poor](#). To improve the compliance to these laws, it is important to periodically monitor and evaluate the effectiveness of such policies.
- Hiring through networks may reinforce existing gender inequalities in the labour force.** Several studies have found that giving jobseekers better information about the vacancies in the

<sup>4</sup> Punjab Shops and Establishment (Amendment) bill 2013: <http://papmis.pitb.gov.pk/uploads/reports/16-splcmt1-14-2013.pdf>; Day Care Centers Bill 2018: [http://www.senate.gov.pk/uploads/documents/1548216636\\_113.pdf](http://www.senate.gov.pk/uploads/documents/1548216636_113.pdf)



market can shift search behaviour and help reduce the friction distort search and hiring (Abebe et al., 2020c; Bassi & Nansamba, 2017, Carranza et al., 2020)<sup>5</sup>. However, we need to better understand how job search platforms can help address some of these frictions and barriers, which may be gendered, by connecting relevant job seekers and employers. It is a potential direction to research to reduce the information barriers in the job search process from a gendered perspective.

## Further research

Researchers at Duke University and CERP are currently conducting several RCT experiments using the Job Talash infrastructure to explore the constraints faced by jobseekers and firms. In one RCT, we quantify the costs and benefits of transport on women's mobility and labour force participation by offering door-to-door pick and drop services from home to places of employment for Job Talash subscribers (see [here](#) for more information). We are also conducting an auditing experiment to measure the extent of misreporting of work experience by job applicants on jobseekers and firms; and to understand how encouragement can bring people who are not otherwise searching into job search and employment. All the studies will analyse how effects differ for male and female jobseekers, thus helping to identify contributors to gender disparities in labour market outcomes. This can help us inform labour market policies that improve equity in these outcomes.

---

<sup>5</sup> Abebe, G., S. Caria, M. Fafchamps, P. Falco, S. Franklin, and S. Quinn (2020c): "Matching Frictions and Distorted Beliefs: Evidence from a Job Fair Experiment. Mimeo.; Bassi, V. and A. Nansamba (2017): "Information frictions in the labour market: Evidence from a field experiment in Uganda," GLM LIC Working Paper, 29.; Carranza, E., R. Garlick, K. Orkin and N. Rankin (2020): "Job search and hiring with two-sided limited information about workseekers' skills," Working paper, Duke University.