

# THE DISCONNECT BETWEEN LEGAL FRAMEWORKS AND PRACTICAL HRM: A CRITICAL REVIEW OF LABOR LAW COMPLIANCE CHALLENGES IN PAKISTAN

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## ABSTRACT

*This review examines the disconnect between legal HRM frameworks and their practical implementation in Pakistan, focusing on labor law compliance. Despite comprehensive labor laws, weak enforcement mechanisms, and regional disparities hinder effective protection for workers is hindered, particularly in informal sectors. The paper highlights gaps in worker awareness, HR professionals' roles, and gender discrimination in labor practices. It emphasizes the need for stronger enforcement, formalizing informal labor, and improving worker education to ensure compliance. The review calls for further research on strengthening labor law enforcement and enhancing HR's role in addressing these challenges.*

**Keywords:** Legal HRM Frameworks, Labor Law Compliance, Informal Sector Workers, Minimum Wage Laws, Gender Discrimination, Worker Education.

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## INTRODUCTION

### 1.1 Context of Legal HRM in Pakistan

Labor laws in Pakistan, including the Industrial Relations Ordinance (IRO), Workmen's Compensation Act, and the Minimum Wages Ordinance, aim to protect workers' rights and ensure fair treatment (Ahmad, 2009). However, the gap between theoretical frameworks and practical enforcement remains significant. Despite existing laws, studies highlight widespread non-compliance in industries such as textiles, agriculture, and construction.

For example, The Express Tribune (2021) reported that 60% of workers in the textile sector are paid below the minimum wage, with enforcement often cited as a key issue. The Protection Against Harassment of Women at the Workplace Act, although legally sound, is poorly implemented, with 70% of women workers unaware of their rights under the law (Nadeem, 2025).

Moreover, regional disparities in labor law enforcement exacerbate the issue. Urban centers like Karachi see better implementation, but rural

regions suffer from weak monitoring and a lack of labor inspectors. According to Wootton (2016), the labor department is severely under-resourced, with limited staffing for effective nationwide monitoring. Weak legal recourse for workers further hinders the proper application of labor laws.

This disconnect between labor law frameworks and their practical application in Pakistan leaves workers exposed to exploitation and creates challenges for HR professionals in ensuring legal compliance across sectors.

### 1.2 Purpose of the Review

The purpose of this review is to critically examine the disconnect between legal HRM frameworks and practical HR practices in Pakistan, with a specific focus on labor law compliance. It aims to highlight the gaps in enforcement, particularly in sectors like textiles and agriculture, where legal protections are weak despite the existence of comprehensive laws. The review will analyze how

weak implementation and regional disparities affect HRM effectiveness, leaving workers vulnerable and undermining HR professionals' ability to ensure fair and legal working conditions.

### 1.3 Research Questions

1. What gaps exist in the implementation of labor laws in Pakistan?
2. How do weak enforcement mechanisms impact HRM practices and employee welfare?
3. Why is there a discrepancy between legal HRM documents and their practical enforcement in Pakistan?

### 1.4 Significance of the Study

The significance of this study lies in its exploration of the gap between legal frameworks and practical HRM implementation in Pakistan. By identifying key challenges in labor law compliance, such as weak enforcement mechanisms and regional disparities, the study aims to provide critical insights into how these issues affect HR practices. It will contribute to the policy discourse on improving labor law enforcement, worker protection, and HR professional development, ultimately helping to ensure a fairer and more compliant labor environment in Pakistan.

## 2. Literature Review: Legal Frameworks for HR in Pakistan

### 2.1 Overview of Key HRM Frameworks Industrial Relations Ordinance (IRO)

The Industrial Relations Ordinance (IRO), introduced in 2002, provides a framework for resolving disputes between employers and employees. Aleshoush & Almakhozumi (2024) commend the IRO for being a comprehensive legal tool, designed to protect workers' rights and maintain industrial peace. However, Arslan (2020) contends that the scope of IRO is limited to formal industries, excluding a large portion of informal laborers who remain vulnerable to exploitation. Shaikh (2016) argues that weak enforcement mechanisms make it difficult for workers in the textile and construction sectors to fully benefit from the protections offered by the IRO. While the IRO provides the framework for HR practices, its implementation issues in rural areas and informal sectors indicate a significant gap in real-world enforcement. In contrast, Wootton (2014) highlights that the implementation of IRO in urban regions tends to be more consistent,

pointing to a regional divide in the effectiveness of legal HR frameworks across the country.

Moreover, Fenton-O'Creevy (2024) points out that the IRO's role in regulating unions has been limited due to political interventions. Muhammad et al. (2017) add that regional disparities are also a major obstacle to its success, especially in rural Pakistan, where industrial relations structures remain weak. Young (2019) underscores that HR professionals are often forced to navigate a complex landscape where legal frameworks like the IRO exist on paper but are frequently disregarded in practice.

In the context of global labor standards, KHAN et al. (n.d.) mention that the IRO struggles to keep pace with international labor regulations, especially with the increasing pressure from multinational corporations (MNCs) operating in Pakistan. Despite the IRO's theoretical framework, its practical challenges highlight the ongoing disconnect between legal HRM frameworks and real-world application.

### The Protection Against Harassment of Women at the Workplace Act

The Protection Against Harassment of Women at the Workplace Act (Policy for Harassment, 2020) was designed to address sexual harassment and discrimination against women in the workplace. Robertson et al. (2018) praise the Act for providing a legal recourse to women who face harassment, but Khilji (2025) points out that its impact remains limited in many sectors, especially in informal industries where gender bias persists, and female workers remain vulnerable. Bhutto & Shah (2025) concur, noting that the lack of awareness about the Act among women workers and HR professionals hinders its effectiveness in reporting harassment. This gap is particularly significant in conservative areas, where social stigma makes it difficult for women to file complaints without facing retaliation.

Furthermore, Jaising (2014) highlights that cultural norms and gender inequality often prevent the Harassment Act from being fully implemented. Many women are reluctant to use the legal provisions due to the fear of retaliation and job loss, as well as the lack of support from colleagues and employers. Agarwal & Shah (2024) also argue that while the law exists, its implementation is fraught with challenges, particularly when

employers fail to create safe environments or provide clear grievance mechanisms for women. Goldberg (2020) criticizes that even when women report harassment, internal HR policies often fail to uphold the law due to employer resistance or a lack of proper training for HR professionals to handle such cases effectively. The gap in enforcement and awareness continues to undermine the full potential of the Protection Against Harassment Act, creating a disconnect between the law's theoretical benefits and its practical implications.

### **Workmen's Compensation Act**

The Workmen's Compensation Act (Government of Pakistan, 2022) mandates compensation for workers who are injured at work. Dworsky & Broten (2018) assert that this Act is essential in providing workers with financial protection after workplace accidents. However, Duff (2022) identifies limitations in the scope of the Act, particularly in its application to informal workers. Many workers in small-scale industries and agriculture lack proper documentation, meaning they are excluded from benefits offered by the Act. Wootton (2014) adds that while the Act offers compensation, the amounts provided often fail to cover medical bills and rehabilitation costs due to outdated compensation schemes that don't reflect the current cost of living.

In textile factories and construction sites, where workplace injuries are more prevalent, Jahidi et al. (2024) note that non-compliance is widespread due to poor monitoring and limited awareness of the provisions under the Act. Employers often delay compensation or avoid it altogether due to the lack of enforcement by government authorities. Kirk (2021) emphasizes that HR professionals are often caught between legal requirements and business pressures, which prevents the Act from being fully implemented in the private sector.

The Workmen's Compensation Act, while important, requires reform and expansion to adequately cover informal workers, and more importantly, its enforcement needs significant improvement. Chambers (2022) advocates for greater transparency in compensation procedures and more government oversight to ensure that workers' rights are upheld and compensation is not withheld. Without these changes, the Act remains a theoretical framework that does not fully address the needs of workers in many industries.

### **The Minimum Wages Ordinance**

The Minimum Wages Ordinance sets a legal floor for wages, intending to protect workers from exploitation by ensuring they are paid a fair salary. Chapman et al. (2021) report that while the Ordinance sets the wage standards, a significant number of workers in Pakistan remain underpaid, particularly in labor-intensive sectors such as agriculture and textiles, where employers circumvent the law. Bosch et al. (2023) emphasize that employers often ignore the Ordinance, claiming that the enforcement of minimum wage laws is poor, and labor inspectors are insufficient to monitor compliance effectively.

Nzama (2024) argues that the minimum wage is frequently not enforced due to bureaucratic inefficiencies and corruption, with workers often being underpaid or denied full payment due to weak regulatory oversight. In some rural sectors, where many workers are hired informally, wages are not recorded, and the law has limited impact on income fairness. Robertson et al. (2018) also underscore the importance of HR professionals' role in ensuring that minimum wages are paid, noting that many workers in informal sectors remain unaware of their rights and therefore fail to demand compliance.

### **2.2 Literature Gap**

The critical gap in the literature lies in the disconnect between legal HR frameworks and their practical implementation in Pakistan. While labor laws such as the Industrial Relations Ordinance (IRO) and the Minimum Wages Ordinance theoretically protect workers, ineffective enforcement and regional disparities significantly hinder their real-world impact. Khilji (2025) highlights the lack of coverage for informal sector workers, and Robertson et al. (2018) emphasize how weak monitoring systems lead to non-compliance in industries like textiles. Wootton (2014) critiques the insufficient resources for HR professionals to effectively enforce these laws, compounded by cultural barriers and institutional resistance. Additionally, worker awareness remains low, with many employees unaware of their legal rights, especially in rural areas. The gap is clear: while comprehensive legal frameworks exist, their implementation remains fragmented, leaving workers vulnerable and undermining the effectiveness of legal HRM practices.

### 2.3 Theoretical Frameworks in Legal HR

Legal Compliance Theory, Institutional Theory, and Resource Dependency Theory are crucial for understanding the dynamics of labor law compliance in HRM. Legal Compliance Theory posits that organizations must adhere to legal standards to avoid penalties, enhance legitimacy, and operate within societal expectations (Mitchell, 2014). This theory emphasizes that HRM practices are shaped by external legal frameworks, which dictate how organizations should manage employee relations, wages, safety standards, and other critical HR functions (Guzman, 2002). In Pakistan, although labor laws like the Industrial Relations Ordinance exist, the lack of robust enforcement mechanisms often leads to non-compliance, making this theory relevant to understanding the persistent gaps in the application of legal HR practices.

Institutional Theory highlights how organizations conform to societal norms and regulations to gain legitimacy and ensure long-term survival (Amenta & Ramsey, 2010). This theory argues that HRM practices are influenced not just by laws, but also by institutional pressures from other stakeholders

such as trade unions, government agencies, and the media (Tina Dacin et al., 2002). In Pakistan, HR practices are often shaped by these external pressures but are undermined by weak enforcement and a lack of accountability for employers who fail to comply with labor laws. This theory helps explain why HR professionals in Pakistan might adopt legal frameworks in theory but fail to implement them in practice.

Resource Dependency Theory argues that organizations depend on external resources, such as labor, capital, and information, which must be managed to ensure organizational stability (Yeager et al., 2014). HRM, under this theory, must align with external legal environments to secure these resources, particularly labor. In Pakistan, the resource dependency is influenced by economic pressures and limited resources, making compliance with labor laws challenging. This theory explains how HRM in Pakistan might prioritize operational needs over legal compliance, especially in informal sectors or industries where labor rights are not enforced, further exacerbating the disconnect between labor law frameworks and HR practices.



Figure 1: Theoretical Framework for the Study (Source: Author)

## 3. Employment Law Gaps in Pakistan: Discussion and Analysis

### 3.1 Weak Enforcement of Labor Laws

The weak enforcement of labor laws in Pakistan, especially in the textile and agriculture sectors,

continues to perpetuate widespread non-compliance. Despite the existence of the Minimum Wages Ordinance, which sets the floor for wages, many workers are paid below the mandated rate.

For instance, a 2021 report by The Express Tribune revealed that over 60% of workers in Pakistan's textile sector are paid below the minimum wage (The Express Tribune, 2021). This is especially prevalent in smaller factories and informal employment, where employers bypass regulations due to weak monitoring systems and the lack of enforcement mechanisms. Khilji (2025) highlights that while urban centers like Karachi might experience better enforcement, rural areas, where many industries are located, face disproportionate rates of non-compliance due to limited government presence.

Case studies further illustrate the extent of non-compliance. A 2019 case in the Lahore District showed that workers in brick kilns were paid below the minimum wage despite regulations to protect them (The Nation, 2025). According to the Council of the European Union (2020), labor contractors in this sector often deny workers' basic rights by exploiting legal loopholes and providing workers with temporary contracts, which exclude them from minimum wage protections. In the agriculture sector, farm laborers are often paid far below the minimum wage, particularly in Punjab and Sindh, where agricultural practices dominate. Sarma Malkani (2025) stated that 80% of farm workers in rural Sindh earn less than the legal minimum wage, with no legal recourse to address the issue.

The issue of non-compliance is exacerbated by a lack of legal literacy among workers. Many employees are unaware of their legal rights or fear reprisals from employers if they attempt to claim their rights, further perpetuating the cycle of exploitation. In many sectors, particularly those with high turnover or seasonal employment, employees often remain outside the scope of labor law protections, especially when working under informal contracts (Stone, 2006). This situation is well-documented in the construction sector, where temporary laborers face serious challenges in receiving fair wages due to the informal nature of their employment. The Express Tribune (2021) highlighted that 60% of construction workers in Islamabad are paid below the minimum wage, with many never receiving formal contracts, and their labor rights are often ignored.

HR professionals in Pakistan face substantial challenges in upholding labor laws in such environments. Due to weak enforcement, HR managers often find themselves caught between

legal obligations and the practical challenges of balancing business interests with the protection of workers. Wootton (2014) discusses how HR professionals in public sector organizations try to comply with employment regulations, but they often face inconsistent enforcement from government bodies, which makes their role in ensuring compliance difficult. Fenton-O'Creevy (2024) adds that HR professionals, particularly in small and medium-sized enterprises (SMEs), lack the resources to educate workers about their rights and enforce legal frameworks. In sectors such as textiles and construction, HR departments often operate with limited budgets and staffing, further exacerbating the difficulties in monitoring compliance with labor laws.

Additionally, HR professionals in Pakistan struggle with institutional resistance from employers who view compliance as a costly burden. According to an interview with an HR Manager at a Karachi-based manufacturing firm, many employers prefer to avoid compliance with wage laws, especially in the informal sector, where accountability is minimal (Waqas Shabbir, 2016). The interviewee noted that HR managers often face resistance from senior management, who prioritize short-term profits over worker welfare. This is compounded by a lack of political will to implement stricter enforcement measures.

HR professionals working in the agriculture and informal sectors are particularly vulnerable to this lack of support. Khilji (2025) mentions that HR professionals in these sectors are often powerless when dealing with illegal labor practices, such as wage theft and a lack of proper documentation. In some cases, HR departments in small farms or factories have to rely on external audits to ensure compliance, which further complicates the process. Furthermore, HR professionals in the textile industry report a lack of training on labor law compliance, which undermines their ability to address worker grievances effectively (Islam & McPhail, 2011). Without proper tools and resources, HR professionals can only provide limited support to employees, leaving them unprotected against exploitation.

The role of HR professionals in Pakistan is critically impacted by weak labor law enforcement, which affects their ability to fulfill their responsibilities in ensuring workers' rights are respected. HR professionals in sectors with high informal labor or seasonal work are particularly

constrained in their efforts to uphold minimum wage standards, safety regulations, and anti-discrimination laws (Guttermann, 2024). The lack of effective legal enforcement means that HR departments in Pakistan continue to operate in a legal gray area, where the legal protections for workers exist, but their implementation is frail.

### 3.2 Informal Sector Workers

The informal sector in Pakistan is characterized by a lack of regulation, leaving a significant proportion of the workforce without access to basic legal protections (Dharejo et al., 2023). Contract workers and freelancers, who make up a large part of the informal sector, are especially vulnerable, with limited legal protection under existing labor laws. According to the International Labour Organization (2020), nearly 70% of Pakistan's workforce operates in the informal sector, which means that they are largely excluded from formal labor protections such as minimum wage laws, social security, and healthcare benefits. This group includes workers in agriculture, construction, domestic work, and textiles, among others.

Contract workers, who are hired on a temporary or short-term basis, often do not have access to the same legal protections as permanent employees (Adolfsson et al., 2022). A 2020 interview with an HR manager at a Karachi-based textile factory revealed that contract workers are frequently paid lower wages than their permanent counterparts and are denied benefits such as paid leave and healthcare coverage (Umar et al., 2024). This issue is exacerbated in the gig economy, where freelancers are often hired for specific tasks with no legal guarantees regarding job security or benefits. Robertson et al. (2018) highlight that, while freelance work is growing, Pakistan's labor laws fail to provide adequate protection for such workers, leaving them vulnerable to exploitation and without any social security.

Moreover, gaps in social protection are a significant issue for informal sector workers. The social safety net in Pakistan is limited, with the Employees Old-Age Benefits Institution (EOBI) and Social Security Institutions mostly covering formal sector employees (Farooq, 2025). A podcast by the International Labour Organization (2020) emphasized that informal workers do not have access to pension schemes or healthcare benefits, which are key components of the social protection framework. The podcast further pointed out that

less than 10% of informal workers in Pakistan are registered with social security programs, leaving the majority unprotected in cases of illness, injury, or old age (International Labour Organization, 2020). Khilji (2025) highlights that HR professionals in the informal sector face a distinct challenge: they are not only unaware of the legal rights of informal workers but also unable to provide legal protections due to the lack of regulatory infrastructure. Many informal workers remain unaware of their rights, especially in small-scale industries and agricultural settings. The 2021 study by the Women's Rights Commission of Pakistan indicated that women workers in the informal sector, particularly in domestic work, are especially vulnerable to harassment, abuse, and wage theft, as they often lack both legal awareness and access to grievance mechanisms (Ministry of Human Rights, 2021).

### 3.3 Regional and Sectoral Disparities

Regional disparities in the enforcement of labor laws are a significant challenge in Pakistan, with urban centers like Karachi enforcing labor laws more effectively than rural regions. According to Wootton (2014), urban areas benefit from greater access to resources, including government infrastructure and labor inspectors, which facilitates better monitoring of labor law compliance. In cities like Karachi, workers in the formal sector are more likely to benefit from legal protections, such as minimum wage laws and workplace safety regulations. However, rural regions, where a large portion of the workforce is employed in agriculture and small-scale industries, often suffer from limited government presence and weak monitoring, resulting in widespread non-compliance with labor laws (Bartley, 2018).

International Labour Organization (2020) highlighted that 70% of workers in rural Sindh and Punjab do not receive the minimum wage due to insufficient enforcement and a lack of awareness of workers' rights. This gap in enforcement is further compounded by informal labor contracts, which are prevalent in agriculture and construction sectors, leaving workers without formal legal protections (Khilji, 2025). In these regions, HR professionals in small-scale industries struggle with the lack of government oversight, which allows employers to circumvent labor laws and exploit workers.

Furthermore, HR managers in rural areas often have limited training on labor law compliance, making it difficult for them to ensure that workers' rights are protected. Fenton-O'Creevy (2024) notes that in rural Pakistan, where most industries operate on informal agreements, HR departments face challenges in monitoring employee welfare, resulting in wage theft, unsafe working conditions, and discriminatory practices. While Karachi, with its more developed infrastructure and presence of large formal sectors, sees better enforcement, the situation is vastly different in rural areas, where HR departments often lack resources to address legal non-compliance (Khyber Pakhtunkhwa Provincial Social Sector, 2021).

The lack of a coordinated approach between local authorities, employers, and HR professionals in rural regions further exacerbates the problem. Robertson et al. (2018) suggest that while urban centers may face greater institutional pressure to comply with national labor laws, rural employers often escape scrutiny due to the lack of local enforcement bodies and government resources. This inequity in enforcement leaves rural workers vulnerable, particularly in sectors with high levels of informal labor, where HR professionals are unable to effectively advocate for or enforce labor rights.

### 3.4 Gender Discrimination in Labor Laws

Gender discrimination remains a significant issue in Pakistan's labor laws, particularly for women workers in unorganized sectors. Fenton-O'Creevy (2024) highlights the gaps in legal protection for women, especially in sectors such as agriculture, domestic work, and textiles, where women are disproportionately employed in informal, unregulated conditions. Despite laws such as the Protection Against Harassment of Women at the Workplace Act (Government of Pakistan, 2022), gender-based discrimination continues to be widespread, particularly in rural regions and informal employment where labor protections are weak.

A report by the MRRORS (2018) indicated that 65% of female workers in domestic work face exploitation, including wage theft and physical abuse, but are unaware of their legal rights. These women, often working in unregistered or informal arrangements, lack access to grievance mechanisms, and the law's enforcement is minimal in these environments. Malik et al. (2016) add that

women in the informal sector, especially those in rural areas, suffer from low wages, poor working conditions, and a lack of access to social security. In these unregulated environments, women are not covered by labor laws like the Minimum Wages Ordinance or Workmen's Compensation Act, leaving them vulnerable to exploitation.

Hassan et al. (2025) further emphasize the gendered dimensions of labor law non-compliance in sectors like textiles and agriculture, where women often work in unsafe environments and lack formal contracts. In many cases, employers in these sectors exploit legal loopholes, denying women the protection of labor laws due to their informal employment status. HR professionals, particularly in small-scale industries, face challenges in addressing gender discrimination due to cultural barriers, lack of awareness, and insufficient legal recourse available to women workers (Sharma et al., 2025). This lack of protection is compounded by social stigma and cultural norms that prevent women from reporting harassment or seeking justice.

According to Wootton (2014), while there have been advances in legal frameworks designed to protect women workers, these laws have limited reach in unorganized sectors. In urban areas, HR departments may provide better mechanisms for women's legal recourse, but rural regions remain under-enforced, where HR professionals are often constrained by a lack of resources and weak legal frameworks (Milazzo & Goldstein, 2019). This disparity highlights the inequity in how gender protection is applied, further marginalizing women workers in informal and unregulated sectors.

## 4. Worker Awareness and Advocacy: Key Gaps

### 4.1 Lack of Worker Education

In Pakistan, worker education on labor rights remains a major gap in the implementation of labor laws (Hassan et al., 2025). Many workers, particularly those in informal sectors like agriculture, textiles, and construction, are unaware of their legal rights, including protections against discrimination, harassment, and unsafe working conditions. According to Khilji (2025), workers in rural areas or small-scale industries are particularly vulnerable, as labor laws are seldom communicated effectively, leaving workers unable to assert their rights. This lack of awareness results in wage theft, denial of benefits, and discriminatory practices

going unchallenged, as workers are either uninformed or intimidated by the legal complexity. HR professionals in Pakistan play a critical role in educating workers about their rights under labor laws, yet their efforts are often undermined by limited resources and a lack of formal training. Fenton-O'Creevy (2024) notes that HR departments in informal sectors often lack the infrastructure to train workers about legal protections, especially in industries such as textiles and construction, where workers are hired on informal contracts. HR's role, in theory, is to raise awareness and ensure compliance, but these efforts are undermined by a lack of investment in education programs and employee welfare initiatives. Robertson et al. (2018) further emphasize that HR professionals in these industries fail to engage workers in discussions about their rights, leading to a widespread lack of understanding about basic labor laws like the Minimum Wages Ordinance or the Workmen's Compensation Act.

Barriers to education are compounded by illiteracy, language barriers, and geographic isolation, especially in rural regions, where worker training and awareness campaigns are often minimal or nonexistent. Global Partnership for Education (2019) found that over 44% of workers in rural Sindh did not understand their rights under labor law, primarily due to low literacy rates and limited access to educational resources. This gap in education perpetuates labor violations, as employers exploit workers' lack of knowledge to evade compliance with labor standards.

#### 4.2 Fear of Retaliation

One of the most significant barriers to reporting violations of labor laws in Pakistan is the fear of retaliation from employers. Robertson et al. (2018) highlight how workers, especially in informal sectors, are reluctant to report violations due to the risk of losing their jobs or facing discriminatory treatment. Workers in factories, construction sites, and agriculture often face threats or intimidation if they raise concerns about harassment, wage theft, or unsafe working conditions. Khilji (2025) emphasizes that female workers, particularly in domestic work or textiles, are especially vulnerable to this fear, as they face gendered retaliation. In these sectors, fear of dismissal or blacklisting is widespread, which leads to underreporting of violations and increased exploitation by employers.

HR professionals play a crucial role in mitigating these challenges by providing safe avenues for workers to report violations without fear of retaliation. However, Wootton (2014) argues that HR departments in small and medium enterprises (SMEs), particularly in rural regions, struggle to provide effective grievance mechanisms. These mechanisms are often underused because workers do not trust them or fear that HR professionals will not act impartially. Additionally, cultural factors in Pakistan often prevent workers from speaking out against employers, especially in patriarchal industries like construction or agriculture, where workers are dependent on their employers for livelihood (Arslan, 2020). HR's role in addressing fear of retaliation is essential, but HR professionals are often undermined by organizational cultures that discourage reporting violations.

Moreover, HR professionals are often powerless in addressing retaliation in environments where management is either unwilling to change practices or complicit in violations. Fenton-O'Creevy (2024) points out that in these situations, HR's lack of authority to enforce anti-retaliation policies reduces their effectiveness in fostering a safe workplace culture. Thus, without a robust system for protecting whistleblowers, the fear of retaliation will continue to deter workers from seeking justice.

### 5. Legal HR Compliance: Policy Implications and Recommendations

#### 5.1 Need for Stronger Enforcement Mechanisms

To strengthen labor law enforcement in Pakistan, several measures need to be implemented. First, there should be an increase in resources for labor inspectors. Currently, Pakistan's labor inspection system is under-resourced, with too few inspectors overseeing a vast informal labor market. Khilji (2025) highlights that the textile sector and agriculture are prime examples of industries where the lack of inspectors allows employers to bypass labor laws, such as minimum wage regulations. In countries like India, the introduction of labor audit systems and increased labor inspectorate staff has been shown to improve compliance with labor laws, suggesting that Pakistan could benefit from a similar approach.

Another important recommendation is the role of technology in improving monitoring systems. Technological platforms can be used to create a digital registry for workers, ensuring better tracking

of wages, working hours, and contract details. The Philippines has successfully implemented a digital monitoring system for domestic workers, which has made it easier to ensure wage compliance and provide legal protections to workers (Battistella et al., 2011). By leveraging technology, Pakistan can improve transparency and hold employers accountable in real-time, especially in remote or informal sectors.

### 5.2 Policy for Informal Sector Workers

The informal sector is where Pakistan's labor laws are weakest, with millions of workers excluded from basic protections. A key recommendation is to formalize contract-based work and ensure worker protection in this sector. Informal workers such as agricultural laborers and domestic workers remain vulnerable due to a lack of formal contracts, leaving them without legal recourse. Bangladesh provides a model with its formalization of contract work in the garment industry, where a push for formal contracts has improved wage security and working conditions for informal workers (Hossain, 2012). Pakistan can adopt similar policies to ensure that contract workers are registered, have clear employment terms, and enjoy basic labor protections.

Additionally, social security for contract workers is essential. Pakistan's Employees Old-Age Benefits Institution (EOBI) only covers workers in the formal sector, leaving millions in the informal sector without retirement or medical benefits (Amir et al., 2015). Extending social security coverage to contract workers, similar to efforts in Brazil, where informal workers have gained access to social security through formalized contracts (Nguyen & Da Cunha, 2019), can help protect vulnerable workers in Pakistan.

### 5.3 Improving Worker Awareness and Education

One of the most crucial measures for improving labor law compliance in Pakistan is developing worker education programs focused on labor rights. Khilji (2025) emphasizes that workers, particularly in the informal sector, are often unaware of their rights, which leaves them vulnerable to exploitation. Worker education programs should be designed to educate employees about minimum wage laws, occupational safety, and harassment protections. Programs similar to those in Sri Lanka, where labor law awareness campaigns helped improve compliance and reduce

worker exploitation (Rajapakshe, 2019), could be adapted for Pakistan. HR professionals play a pivotal role in empowering workers, not just in terms of education but also by advocating for workers' rights within the workplace.

HR managers should be trained to deliver education programs, provide clear communication channels, and ensure that workers' complaints are addressed. Fenton-O'Creevy (2024) notes that HR professionals should be proactive in creating safe reporting systems and promoting a culture where workers feel empowered to voice concerns without fear of retaliation.

### 5.4 Gender Equality and Discrimination

Despite legal frameworks such as the Protection Against Harassment of Women at the Workplace Act (Government of Pakistan, 2022), there are still gaps in gender equality in Pakistan's labor market. Strengthening laws that protect women's rights is essential. For example, Pakistan's domestic workers are still vulnerable to exploitation in the informal sector, as they are excluded from labor laws like the Minimum Wages Ordinance. Extending minimum wage protections and anti-discrimination laws to these workers, as seen in Kenya, where domestic workers are now protected by national labor laws (Dwasi, 1999), could significantly improve conditions for Pakistani women.

Additionally, HR's role in combating gender discrimination in the workplace is crucial. HR professionals should not only ensure compliance with harassment laws, but also actively engage in promoting gender equality through workplace policies that ensure equal pay, promotion opportunities, and representation. Robertson et al. (2018) advocate for gender-sensitive HR policies that address gender disparities and offer training for HR professionals to recognize and address gender discrimination. Initiatives like gender-neutral recruitment, equal pay audits, and gender sensitivity training have been successfully implemented in countries like Canada, where HR professionals ensure that gender discrimination is actively addressed in hiring and pay policies (Emma, 2025).

### 6. Conclusion

The key findings from this review highlight a significant disconnect between legal HRM frameworks and their real-world application in Pakistan. While laws like the Industrial Relations

Ordinance and the Protection Against Harassment Act exist, weak enforcement and implementation challenges remain pervasive. Workers, especially in the informal sector, face limited legal protection, and HR professionals struggle to ensure compliance due to inadequate resources and a lack of training. The final gap lies in the theoretical nature of labor laws, which fail to translate into effective worker protection without strong enforcement mechanisms and widespread worker education. To address these issues, further research should focus on improving labor law enforcement, extending protections to informal workers, and strengthening HR's role in fostering compliance. Worker education programs and better monitoring systems must be prioritized to ensure the effective implementation of labor laws in Pakistan.

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