

Empowerment and Effectiveness in Nepal’s Public Banking: A Conceptual Synthesis of Women’s Leadership Challenges and Opportunities

Pratibha Bhusal¹, Dr. Ashok Kumar Purohit²

¹PHD Research Scholar, Faculty of Management, Mangalayatan University, Aligarh (U.P)

Email ID: pratibha.afhl@gmail.com

²Professor, Faculty of Management & Commerce, Mangalayatan University, Aligarh (U.P)

Email ID: ashok.purohit@mangalayatan.edu.in

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KEYWORDS <i>Women’s Empowerment, Managerial Effectiveness, Public Sector Banks, Gender Inclusion, Nepal Banking Sector.</i>	ABSTRACT Evolving dynamics of women’s leadership in the banking sector have drawn increasing attention in recent years, particularly in developing economies where gender parity remains a significant challenge. In Nepal, the public banking sector reflects both progress and persistent structural constraints in achieving gender-inclusive managerial ecosystems. This paper synthesizes existing literature to explore the nexus between women’s empowerment and managerial effectiveness within public banks in Nepal. Through an integrative review of empirical and policy-driven studies, it identifies key empowerment dimensions decision-making authority, leadership autonomy, and institutional access that influence women’s leadership outcomes. The paper also examines how organizational and socio-cultural dynamics either facilitate or hinder women’s upward mobility in leadership roles. The synthesis reveals that while isolated policy reforms have improved women’s representation, systemic barriers rooted in institutional culture and societal norms continue to limit their effectiveness. The article concludes with strategic recommendations informed by international best practices and contextual nuances to promote an enabling environment for women leaders in Nepalese public banks.
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1. INTRODUCTION

Across the global banking industry, gender diversity in leadership remains an aspirational goal rather than a realized norm. In South Asia, and particularly Nepal, women's participation in managerial roles in public sector banks is gradually increasing but remains disproportionately low compared to their male counterparts (Shrestha, 2021). Although various gender mainstreaming policies have been introduced at institutional and national levels, structural inequalities continue to restrict women’s agency and leadership capacity in the sector.

The banking industry in Nepal holds a crucial position in national economic development. Public sector banks due to their size, outreach, and socio-economic mandate represent a critical platform for achieving gender equity in leadership. Despite constitutional guarantees and periodic inclusion mandates, women are still underrepresented in senior managerial positions. According to the Nepal Rastra Bank (2022), while female participation in the financial sector workforce has increased marginally, leadership roles continue to be dominated by men, with women occupying less than 10% of executive-level positions. This underrepresentation is not merely a numerical issue but a symptom of deeper challenges. Research indicates that empowerment defined in terms of autonomy in decision-making, access to resources, and leadership legitimacy is intrinsically linked to effectiveness in managerial roles (Kabeer, 1999; Duflo, 2012). However, women in Nepal’s public banking system often face dual pressures: navigating the formal demands of leadership while contending with socio-cultural expectations that limit their professional expression (Ghimire & Samuels, 2017). These intersecting dynamics significantly affect how empowerment translates into performance. Moreover, effectiveness in managerial roles is influenced by a complex interplay of institutional culture, leadership support, feedback mechanisms, and peer networks elements that remain under-researched in the Nepali context. While several studies have explored empowerment in rural and informal sectors,



limited scholarship exists on how these frameworks operate within structured, hierarchical organizations like public banks (Paudel & Shrestha, 2020).

This paper, therefore, aims to bridge this knowledge gap by synthesizing existing secondary research to evaluate the relationship between empowerment and managerial effectiveness among women in Nepal's public banks. In doing so, it identifies barriers, enabling mechanisms, and policy-level interventions necessary for fostering a gender-inclusive leadership ecosystem.

2. WOMEN'S EMPOWERMENT IN NEPAL'S PUBLIC BANKING SECTOR

Women's empowerment in the context of Nepal's public banking institutions reflects a nuanced and evolving narrative progressing steadily yet constrained by institutional inertia and socio-cultural rigidity. The term "empowerment" in this context encompasses women's capacity to influence decision-making, lead autonomously, and access institutional resources equitably with their male counterparts (Kabeer, 1999). However, research indicates significant disparities in these dimensions. **Figure 1** below summarizes the relative weightage of these empowerment dimensions based on thematic synthesis from key studies and policy reviews.

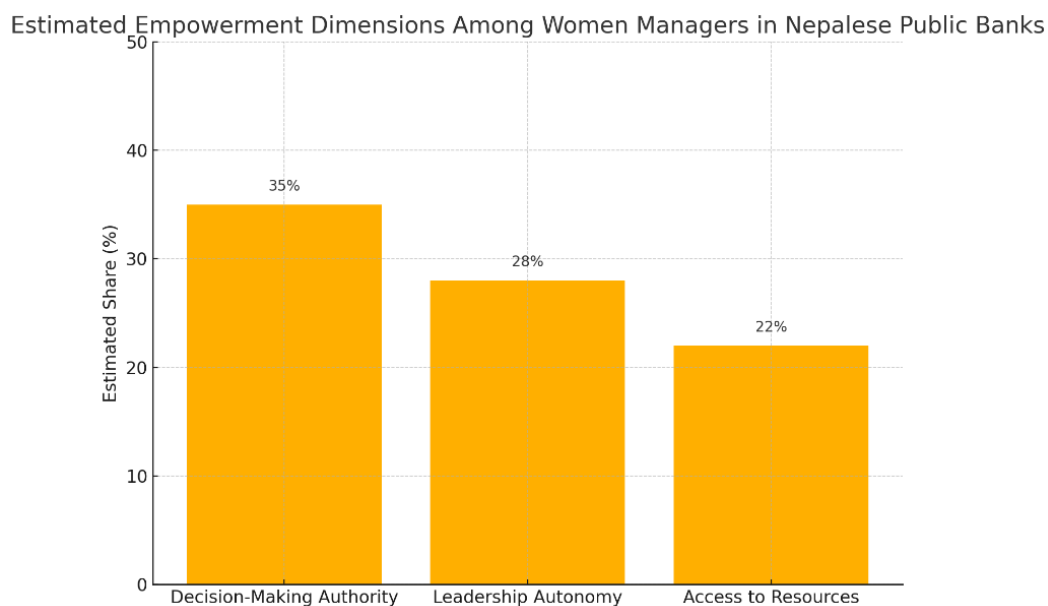


Figure 1: Estimated Share of Key Empowerment Dimensions Among Women Managers in Nepalese Public Banks.

Source: Synthesized from Kabeer (1999); World Bank (2022); Nepal Economic Forum (2021); Paudel & Shrestha (2020).

A thematic review of reports from the Nepal Bankers' Association and studies such as Paudel and Shrestha (2020) suggest that despite policy commitments to gender equity, women in leadership roles often operate within systems where authority is symbolic rather than substantive. For instance, in many instances, female managers are assigned roles with limited budgetary or operational control, even if they hold managerial titles. A 2022 World Bank policy note on gender in South Asian finance highlights that only a minority of women in Nepalese public sector banks report full autonomy in strategic decision-making. A similar pattern emerges in terms of leadership autonomy defined as the freedom to initiate, implement, and evaluate strategies without hierarchical interference. This autonomy remains restricted, often filtered through male-dominated executive hierarchies (World Bank, 2022).

Access to institutional resources such as leadership training, mentorship, and strategic networking opportunities is another critical component. Empirical reviews reveal that institutional development programs disproportionately favour male staff due to selection bias, informal nomination systems, and a lack of gender-sensitive capacity-building initiatives (Shrestha, 2021). A 2021 study by the Nepal Economic Forum estimated that less than 25% of women in management positions in Nepalese banks had access to leadership training within the last two years.

This disparity is further influenced by intersectional factors such as caste, geography, and socioeconomic background, which often compound gender-based exclusion. For example, women from rural or marginalized communities are underrepresented not only in leadership positions but also in the lower rungs of bank employment (Ghimire & Samuels, 2017). Collectively, these constraints shape a leadership pipeline that is narrow and exclusionary. While regulatory frameworks mandate representation, real empowerment remains contingent upon deeper structural reform and cultural transformation within banking institutions.



3. MANAGERIAL EFFECTIVENESS: CONCEPTS AND INDICATORS

Managerial effectiveness refers to the ability of an individual in a leadership position to achieve desired outcomes efficiently while aligning team performance with institutional goals. In public sector banks, this effectiveness is not merely evaluated through financial metrics but also through qualitative markers such as interpersonal influence, organizational impact, and leadership consistency (Mintzberg, 2009).

The conceptual foundation of managerial effectiveness is multi-dimensional. Literature identifies several performance indicators that collectively determine the degree to which a manager is effective in their role. These indicators typically include:

- **Team leadership** (ability to build cohesion, guide teams, and resolve conflict),
- **Strategic decision-making** (aptitude for long-term planning and policy execution),
- **Operational efficiency** (resource optimization and process management),
- **Goal achievement** (meeting or exceeding assigned targets),
- **Peer and subordinate feedback** (reputation and interpersonal effectiveness).

Figure 2 presents a visual synthesis of these indicators based on thematic reviews of performance assessment practices in South Asian public banking contexts.

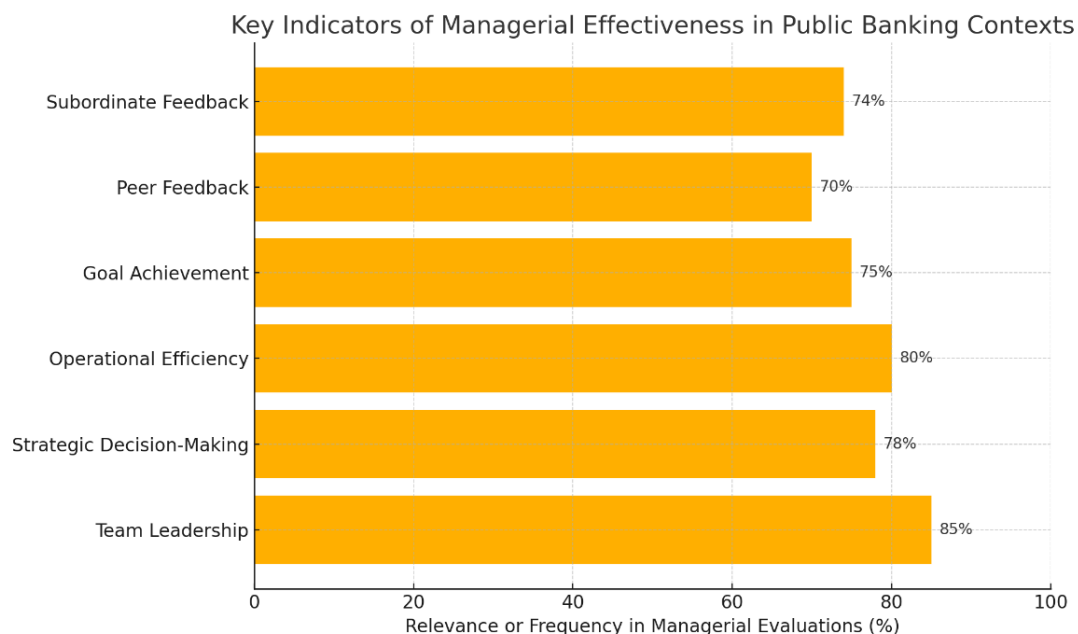


Figure 2: Key Indicators of Managerial Effectiveness in Public Banking Contexts

Source: Synthesized from Mintzberg (2009), Gupta & Batra (2016), and South Asian Banking Reports (2021–2023)

In the context of Nepal's public banking sector, the assessment of managerial effectiveness is further shaped by institutional constraints and bureaucratic protocols. For instance, promotions and performance reviews often prioritize tenure over merit, potentially diluting the measurement of effectiveness (Shrestha, 2021). Furthermore, women in managerial roles may experience biased evaluation frameworks that overlook their transformational leadership traits—such as mentorship, inclusive communication, and emotional intelligence which are often not formally assessed in traditional banking KPIs (Gupta & Batra, 2016).

Empirical evidence from comparative banking studies in India and Bangladesh also reveals that organizations that embed 360-degree feedback mechanisms and results-based appraisal systems tend to report higher leadership consistency and organizational alignment (ADB, 2020). These systems remain underutilized in Nepal's public sector banks, where standardized, gender-sensitive appraisal protocols are yet to be institutionalized.

It is crucial, therefore, to move beyond surface-level assessments and adopt more holistic, inclusive performance frameworks that recognize both tangible and intangible dimensions of managerial contribution. This is especially important when measuring the effectiveness of empowered women leaders, whose competencies may lie in domains often overlooked by traditional evaluation rubrics.



4. INTERLINKAGES BETWEEN EMPOWERMENT AND MANAGERIAL EFFECTIVENESS

The relationship between empowerment and managerial effectiveness has emerged as a central theme in organizational behavior literature, particularly in studies addressing gender dynamics in hierarchical institutions. In the context of Nepal's public banking sector, this interrelationship is both crucial and complex—framed by institutional structures, cultural expectations, and performance paradigms that often shape, and sometimes distort, the lived realities of women in leadership roles. Empowerment in managerial settings encompasses dimensions such as autonomy in decision-making, access to developmental resources, and recognition of leadership legitimacy (Kabeer, 1999; Spreitzer, 1995). When these elements are in place, they create an environment conducive to ownership, accountability, and innovation factors that are well-aligned with effectiveness in leadership.

Recent conceptual models, such as Conger and Kanungo's (1988) empowerment framework and Thomas and Velthouse's (1990) cognitive model of empowerment, suggest that empowered leaders are more likely to exhibit self-efficacy, proactiveness, and motivational drive. These traits, in turn, enhance their managerial competence and influence over team performance. In Nepal's public banks, however, the translation of empowerment into effectiveness is mediated by organizational inertia, rigid role expectations, and informal institutional norms (Paudel & Shrestha, 2020).

Empirical studies in South Asia support this view. For example, research from Bangladesh's public banking system where gender dynamics closely resemble Nepal's shows a strong positive correlation between empowerment indicators (such as leadership autonomy and participation in strategic decision-making) and organizational performance outcomes (ADB, 2020). Similarly, Indian public-sector studies have documented how empowered female managers often outperform their peers on people-centric indicators like team retention, employee engagement, and ethical governance (Gupta & Batra, 2016).

Despite these trends, structural barriers frequently weaken the empowerment-effectiveness linkage in Nepal. Women in mid-level or senior roles may possess the formal designation but lack real authority or access to informal power networks resulting in a form of tokenistic empowerment (Shrestha, 2021). Moreover, deeply embedded patriarchal norms often cast doubt on women's competence in financial decision-making, subtly eroding their legitimacy as leaders even when objective performance is strong. The figure 3 below illustrates this conceptual linkage.

Conceptual Linkage Between Empowerment and Managerial Effectiveness

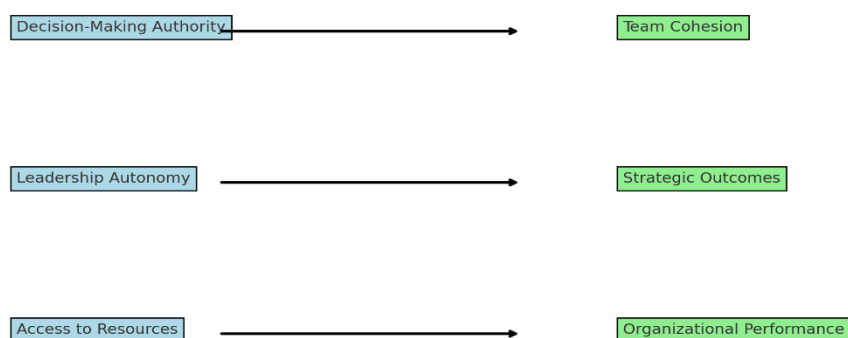


Figure 3: Conceptual Linkage Between Empowerment Dimensions and Managerial Effectiveness Outcomes.

Source: Adapted from Spreitzer (1995), Thomas & Velthouse (1990), Gupta & Batra (2016), and ADB (2020)

In sum, while empowerment serves as a catalyst for managerial effectiveness, its impact in Nepal's public banking institutions is contingent upon systemic support, organizational trust, and policy alignment. Without institutional reinforcement such as inclusive appraisal systems, gender-sensitive leadership development, and supportive peer networks empowerment risks becoming symbolic rather than functional.

5. BARRIERS AND ENABLERS: ORGANIZATIONAL AND SOCIO-CULTURAL DYNAMICS

While empowerment and managerial effectiveness are conceptually and functionally interlinked, the practical realization of this relationship in Nepal's public banking sector is significantly influenced by organizational structures and broader socio-cultural dynamics. These forces either act as barriers constraining women's leadership or as enablers that facilitate their rise and impact within managerial hierarchies.



Organizational Barriers

One of the most persistent organizational barriers is the hierarchical rigidity prevalent in public sector banks. Decision-making structures in these institutions often follow top-down models where authority is centralized, making it difficult for women even in managerial roles to exercise autonomy (ADB, 2020). Women frequently encounter glass ceilings, where their advancement stagnates despite having the necessary qualifications and experience (Paudel & Shrestha, 2020).

Gendered evaluation systems also hinder managerial growth. Performance assessments tend to prioritize quantitative, results-driven metrics while undervaluing relational competencies such as empathy, conflict resolution, and mentorship—areas where women often excel but which are considered “soft” and thus less leadership-worthy in conventional appraisals (Shrestha, 2021). Additionally, informal networks and old boys’ clubs play a decisive role in decision-making and promotions, from which women are largely excluded. These exclusionary practices not only inhibit access to opportunities but also affect women's visibility and perceived legitimacy in the workplace (Ghimire & Samuels, 2017).

Socio-Cultural Barriers

On a broader level, socio-cultural norms in Nepal reinforce traditional gender roles that view leadership as a male domain. Familial expectations, including caregiving responsibilities and social prescriptions around modesty and deference, often place dual burdens on women in leadership roles (Sharma & Gurung, 2021). In some cases, women are discouraged from seeking promotions that involve relocation or longer working hours due to these ingrained societal expectations. Moreover, stereotypes around financial acumen and decision-making frequently surface in subtle ways manifesting as doubts regarding women’s risk-taking abilities or crisis management skills. These biases, while not always explicit, shape how women’s leadership is perceived by colleagues and subordinates (World Bank, 2022).

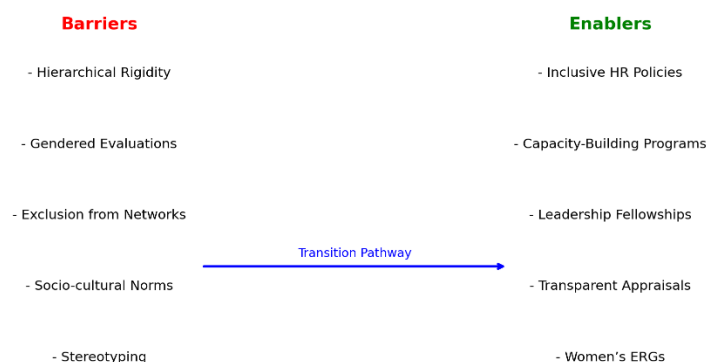


Figure 4: Organizational and Socio-Cultural Barriers vs. Enablers for Women Leaders in Public Banking.

Source: Synthesized from ADB (2020), Sharma & Gurung (2021), and Nepal Rastra Bank (2022).

Enablers of Empowerment and Effectiveness

Despite these barriers, certain institutional and cultural shifts are creating enabling conditions. For example, banks that have implemented gender inclusion policies, diversity audits, and transparent appraisal systems have witnessed improved retention and performance among women in leadership roles (ADB, 2020). International donor agencies, multilateral banks, and government bodies are increasingly encouraging capacity-building programs and leadership fellowships aimed at women in finance. These initiatives help bridge skill gaps, expand professional networks, and foster a culture of mentorship (Nepal Rastra Bank, 2022). Further, the emergence of women’s leadership collectives and employee resource groups (ERGs) within some public sector banks has provided platforms for shared learning and advocacy, contributing to cultural change from within.

6. POLICY RECOMMENDATIONS AND STRATEGIC DIRECTIONS

A meaningful transformation of women’s roles in public banking leadership in Nepal cannot rely solely on symbolic representation or policy statements. Instead, it must be driven by strategic interventions that begin at the institutional level, influence the organizational culture, and ultimately empower women to lead effectively. The following six interconnected recommendations outline a practical roadmap, grounded in global insights and adapted to Nepal’s policy context.



Step 1: Build the Foundation — Gender-Inclusive HR Systems

The first step is to address the structural asymmetries embedded within human resource systems. Most public banks in Nepal still operate with dated HR policies that do not account for the nuanced realities of gender. Therefore, institutions must embed gender-sensitive reforms in recruitment, promotion, and retention practices. These may include clearly defined diversity targets, transparent evaluation processes, and parental support policies like maternity and paternity leave. Organizations such as the Nepal Rastra Bank could act as regulatory anchors, mandating compliance and monitoring progress over time (World Bank, 2022).

Step 2: Nurture the Pipeline — Invest in Women's Leadership Development

Once inclusive frameworks are in place, the next step is to nurture a strong pipeline of capable women leaders. This involves institutionalizing leadership development programs tailored to women, focusing on high-level competencies like financial strategy, governance, negotiation, and crisis management. These programs should not be tokenistic weekend workshops but long-term, immersive learning experiences integrated into professional development calendars. Collaborations with global training bodies or regional banks can provide much-needed curriculum design and credibility (ADB, 2020).

Step 3: Rethink Evaluation — Redesign Performance Metrics

Even the most empowered women struggle to progress if they're evaluated against biased or incomplete metrics. Traditional banking appraisal systems often overlook leadership traits like collaboration, team-building, and ethical reasoning traits in which women tend to excel. Introducing 360-degree appraisal mechanisms that include peer, subordinate, and self-assessments can help capture a more holistic view of managerial performance. These feedback systems also build trust and provide constructive development pathways (Gupta & Batra, 2016).

Step 4: Create Internal Ecosystems — Formalize Support Structures

Empowerment is not just structural it's social. One of the most transformative strategies is to create internal support ecosystems through structured Employee Resource Groups (ERGs) for women. These groups serve as safe spaces for shared learning, advocacy, and leadership visibility. In parallel, formal mentorship programs should pair aspiring women managers with senior mentors (both male and female) to normalize inclusive leadership and break the isolation often felt by women in male-dominated hierarchies (Ghimire & Samuels, 2017).

Step 5: Align with Broader Development Goals

Efforts within banks must be aligned with the national and global commitments to gender equality. Nepal's Gender Equality and Social Inclusion (GESI) framework, alongside Sustainable Development Goal 5 (Gender Equality), provides a policy umbrella under which these institutional actions can be nested. Alignment with these frameworks also opens opportunities for donor support, performance benchmarking, and international recognition (GoN, 2021).

Step 6: Institutionalize Accountability — Conduct Diversity Audits

Finally, to ensure that progress is not only symbolic but sustainable, independent diversity audits must be conducted periodically. These audits can track gender balance across roles, evaluate inclusivity in organizational culture, and identify gaps in empowerment practices. Audit findings should be made transparent and linked to institutional rewards or penalties. Public dashboards reporting inclusion metrics already used in global banks can promote competition among Nepalese banks to lead by example (Shrestha, 2021).

By sequencing change from policy to practice, this roadmap offers a pragmatic model for Nepal's public banks to transition from isolated empowerment efforts to sustained institutional transformation. In doing so, they not only enhance women's leadership but also improve the quality, inclusivity, and resilience of public sector governance.

7. CONCLUSION

The discourse on women's leadership in Nepal's public banking sector is evolving—but not fast enough. While policies advocating for gender equity have gained momentum, the transformation from empowerment in theory to effectiveness in practice remains uneven and incomplete. This article has synthesized insights from published secondary literature to unpack how empowerment manifested through decision-making autonomy, access to resources, and institutional legitimacy shapes, and is shaped by, managerial effectiveness in hierarchical banking institutions. It is evident that the relationship between empowerment and effectiveness is reciprocal: empowered women lead more effectively, and effective women leaders reinforce their empowerment. However, this relationship is often moderated, and at times constrained, by rigid institutional frameworks and deep-rooted socio-cultural expectations. The presence of systemic barriers ranging from gendered performance metrics to exclusion from informal power structures undermines women's leadership potential even when formal equality exists. Yet, the landscape is not without promise. Emerging enablers such as leadership development initiatives, inclusive HR reforms, transparent evaluations, and mentorship ecosystems suggest that the tide is turning. When these elements are strategically aligned with national policy goals and global frameworks like the SDGs, they can catalyze not only the advancement of women but the modernization and democratization of public banking itself. In moving forward, the goal should not be confined to increasing women's presence in managerial roles. Rather, it should focus on building



institutional environments where women are trusted to lead, empowered to influence, and enabled to thrive. Such transformation demands vision, commitment, and above all, a systemic willingness to rethink leadership through the lens of inclusion.

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