

EMPLOYERS' UNDERSTANDING AND PRACTICE ON DECENT WORK:  
A STUDY OF HOTELS IN KATHMANDU VALLEY

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## ABSTRACT

of the dissertation of *Pratima Kumari Kunwar* for the degree of *Master in Technical and Vocational Education and Training*, presented on *23 November 2025*, entitled *Employers' Understanding and Practice on Decent Work: A Study in Hotels in Kathmandu Valley*.

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This study examines the understanding and practice of hotels employers regarding decent work in Kathmandu Valley. Decent work covers fair income, social protection, workplace safety, rights at work, and social dialogue according to ILO. In spite of comprehensive policies in Nepal, including the Labor Act 2074 and the Social Security Fund provisions, there are challenges in the effective implementation and adherence to decent work principles.

The interviews conducted using qualitative research method which provides details insights into complex phenomena through participants feeling, thoughts and experiences. Total of five employers were purposively selected and interviewed from non-star and star-rated hotels who have employed 24 to 100 above staff members. The study hotels were selected considering staffs inclusion and diversity status, multiple service providing hotels. The data collection was done through guiding check list among Manager level and Owner of hotels from Kathmandu Valley. The study captures employers' understanding of decent work, their implementation practices, and challenges they faced to provide decent work. The findings of the study show that employers generally recognize the importance of decent work for employee motivation, satisfaction, and retention but often seen these provisions as costs rather than investments.

Employers highlighted issues such as unhealthy market competition, weak regulatory enforcement, lack of proper monitoring mechanisms, burden of inequitable taxation, political instability, delay in making decision and circulation of information from government regarding increment of wages, lack of practical skills and workplace performance, lack of skilled human resource and high turnover in the entry level. The employers emphasized that due to these issues some employers are not providing decent work. The study also highlights reality of decent work in practice. The study reveals differences in salary and benefits based on gender and job type, income does not support living cost of Kathmandu, lack of enabling environment, lack of inclusivity in law, informal recruitment process, duty hour is more than mentioned in law, and lack of safety and security at place.

The findings of the study stress the need for government's strong oversight, more inclusive policy and acts, and meaningful dialogue between employers and government regarding promotion of decent work. Timely addressing these challenges can contribute in creating fair, productive, and inclusive work and working environment in hotels sector in Nepal.

This research fills a gap by focusing on the employers' perspective, providing insights for researchers, policymakers and other relevant stakeholders with the aim promoting decent work and improve labor conditions in Nepali hotels sector. Regarding the status of decent work in workplace, future researcher can explore out of Kathmandu Valley to explore in depth in specific issue of decent work to understand deeply on issue of each pillar. I conducted qualitative study other researchers can apply quantitative method.

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23 November 2025

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## शोध सार

विकास अध्ययनमा स्नातकोत्तर डिग्रीको लागि प्रतिमा कुमारी कुँवरको शोध प्रबन्धको शीर्षक "रोजगारदाताहरूको मर्यादित काम सम्बन्धी बुझाइ र अभ्यास: काठमाडौं उपत्यकाका होटलहरूको अध्ययन" २२ साउन २०८२ मा प्रस्तुत गरिएको थियो।

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शोध निर्देशक

यस अध्ययनले मर्यादित कामका सम्बन्धमा काठमाण्डौ उपत्यकाका होटल व्यवसायीको बुझाइ र अभ्यास बारे समेटेको छ । आईएलओका अनुसार मर्यादित काम भन्नाले उचित आय, सामाजिक सुरक्षा, कार्यस्थलगत सुरक्षा, काममा अधिकार र सामाजिक संवादलाई समेट्छ । नेपालको श्रम ऐन २०७४ र सामाजिक सुरक्षा कोषको प्रावधान लगायत विस्तृत नीतिका बाबजुद पनि मर्यादित कार्य सिद्धान्तको उचित पालनामा तथा प्रभावकारी कार्यान्वयनमा चुनौती छ ।

यस अध्ययनका लागि गुणात्मक अनुसन्धान विधिको प्रयोग गरिएको थियो । जसकालागि पाँच जना रोजगारदाताहरूको उद्देश्यपूर्णरूपमा छनौट गरि अन्तर्वार्ता लिइएको थियो र गहिरो छलफल मार्फत उनीहरूको विचार, अनुभवहरू र अभ्यासलाई समेटिएको छ । यस अध्ययनका लागि तारे होटल र गैर तारे होटलहरू छनौट गरिएको थियो । जहाँ २४ देखि १०० भन्दा बढी कर्मचारीहरू कार्यरत छन् । होटलहरूको छनौट गर्दा कर्मचारी समावेशीकरण, होटको विविधताको स्थिति र बहुसेवा प्रदायक जस्ता मानकहरूलाई आधार मानिएको थियो । अत्रतवार्ताका लागि गाईडिड चेक लिस्ट तयार गरी तथ्यांक संकलन गरिएको थियो । यस अध्ययनले रोजगारदाताहरूको मर्यादित कामप्राप्तिको बुझाइ, त्यसको कार्यान्वयनको अवस्था र कार्यान्वयनका लागि रोजगारदाताहरूले सामना गरेका चुनौतीहरू समेटेको छ । यस अध्ययनको निष्कर्षले देखाउँदछ कि रोजगारदाताहरूले कर्मचारी उत्प्रेरणा, सन्तुष्टि, र काममा टिकाउनका लागि मर्यादित कामको महत्व रहेको कुरालाई स्वीकार गर्दछन् तर कामदारहरूमाथिको लगानीलाई खर्चका रूपमा हेर्ने गर्दछन् । साथै यस अध्ययनले लैङ्गिकता र जागिरको प्रकारका आधारमा तलब र सुविधामा भिन्नता, आम्दानीले काठमाडौंको जीवनयापनको लागतलाई धान्न अफ्ठ्यारो, कार्यस्थलमा अनुकूल वातावरणको अभाव, कानुनमा समावेशिताको कमी, अनौपचारिक कर्मचारी भर्ना प्रक्रिया, काम गर्ने अवधि कानुनमा उल्लेख भएभन्दा बढी र उचित सुरक्षाको अभाव रहेको देखाएको छ ।

अस्वस्थ बजार प्रतिस्पर्धा, निति नियमको कमजोर कार्यान्वयन, उचित अनुगमन संयन्त्रको अभाव, तलब वृद्धिका सम्बन्धमा निर्णय गर्न र सूचना प्राप्त गर्न ढिलाई, राजनीतिक अस्थिरता, कामदारहरुमा व्यवहारिक सीप र कार्यस्थलको कार्यसम्पादनको कमी, दक्ष जनशक्तिको अभाव र प्रवेश तहका कर्मचारीहरुमा काम छोड्नेदर उच्च जस्ता मुद्दाहरु रोजगारदाताले उठाएका थिए । रोजगारदाताको भनाई अनुसार माथि भनिएका कारणहरुले गर्दा केही रोजगारदाताहरुले अहिले मर्यादित काम दिन सकेका छैनन् ।

अध्ययनको निष्कर्षले मर्यादित कामको प्रबर्द्धनका लागि सरकारको प्रभावकारी अनुगमन, समावेशी नीति र ऐन, र रोजगारदाता र सरकारबीच अर्थपूर्ण संवादको आवश्यकतामा जोड दिएको छ । यी चुनौतीलाई समयमै सम्बोधन गर्न सके नेपालमा होटल क्षेत्रमा निष्पक्ष, उत्पादनशील र समावेशी काम गर्ने वातावरण सिर्जना गर्न योगदान पुग्न सक्छ ।

नेपालमा होटल क्षेत्रमा मर्यादित कामका सम्बन्धमा रोजगारदाता केन्द्रित भएर निकै कम अध्ययन गरिएको पाइएकोले यस अध्ययनले त्यस क्षेत्रमा महत्वपूर्ण ज्ञान थपेको छ । यस अध्ययनले भविष्यमा अनुसन्धानकर्ता, नीति निर्माता र अन्य सरोकारवालाहरुका लागि मर्यादित काम प्रबर्द्धन गर्न र श्रम अवस्थामा सुधार गर्नका लागि अन्तरदृष्टि प्रदान गर्दछ । भावी अनुसन्धाताहरुले कार्यस्थलमा मर्यादित कामको अवस्थाका सन्दर्भमा अध्ययन गर्दा काठमाडौं उपत्यका बाहिर अन्य जिल्लामाहरुमा गएर मर्यादित कामका बारेमा गहिराइमा गएर अन्वेषण गर्न र बुझ्न सक्नेछन् साथै मैले यस अध्ययनका लागि गुणात्मक अध्ययन विधि प्रयोग गरे तर अन्य अध्ययनकर्ताहरुले मात्रात्मक विधि प्रयोग गर्न सक्नेछन् ।

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प्रतिमा कुमारी कुँवर  
उपाधी उम्मेदवार

७ मंसिर २०८२

This dissertation, entitled *Employers' Understanding and Practice on Decent Work: A Study in Hotels in Kathmandu Valley*, presented by *Pratima Kumari Kunwar* on 23 November 2025.

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I understand that my dissertation will be part of the permanent collection of Kathmandu University's library. My signature below authorizes the release of my dissertation to any reader upon request for scholarly purposes.

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Pratima Kumari Kunwar  
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## DECLARATION

I hereby declare that this dissertation is my original work, and it has not been submitted for candidature for any other degree at any other university.

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## DEDICATION

I dedicate this research to family members specially my mother for her unwavering support and encouragement throughout the academic journey of Master in Technical and Vocational Education and Training.

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I sincerely appreciate all the participants who took time out of their busy lives to share their real experiences and thoughts. Their honest responses made my data collection and analysis possible. I also thank Kathmandu University, School of Education, for giving me permission and support to do my research on the topic "Employers' Understanding and Practice on Decent Work: A Study in Hotels in Kathmandu Valley."

I would like to thank my classmates from the MTVET batch of 2023 for their help, encouragement, and support throughout this journey. My special thanks go to my batchmates, Bibek Poudel and Bikash Bajgain, for helping me contact and connect with the study participants.

At last, I want thank to my family. Their constant love, patience, and support gave me the strength and confidence to complete this thesis on time.

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## ABBREVIATIONS

BS	Bikram Sambat
CCTV	Closed-Circuit Television
CTEVT	Council for Technical Education and Vocational Training.
GoN	Government of Nepal
HAN	Hotels Association of Nepal
ILO	International Labor Organization
KUSOED	Kathmandu University School of Education
LGBTIQ+	Lesbian, gay, bisexual, transgender and queer
MDW	Migrant Domestic Workers
MTVET	Master's in Technical and Vocational Education and Training
NLSS	Nepal Living Standards Survey
OSH	Occupation Safety and Health
SDG	Sustainable Development Goal
SSF	Social Security Fund
TVET	Technical and Vocational Education and Training
UN	United Nations

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## CHAPTER I

### INTRODUCTION

Technical and Vocational Education and Training (TVET) plays a vital role in producing a skilled workforce for local as well as global industries, where employers being key contributors to employment creation for the skilled human resources produced by TVET. Hospitality sector hold significant importance in creation of employment opportunities for the TVET graduates. The hotels sector in Nepal gives priority to customer service, guided by the values of Atithi Devo Bhava (guest as a god). However, these values are often influenced by the quality of the working environment and the treatment employees receive from employers. Therefore, decent work does matter in hotels sector to providing excellent service for the guest. For that, employers much understand and practice decent work at workplace. Decent work refers to the workplace conditions where every employee should have fair wages, safe working environment, a job security and find their work impactful (Blustein et al., 2022). Furthermore, decent work is the sum of employees hopes in the working lives (Pereira et al., 2019). It means decent covers quality of work environment, fair income, job security and opportunities for developing and growing them in the work place.

Employers' proper understanding on decent work is crucial factor in the world of work. A study has also established negative correlation between decent work and job burnout in Nepal (Shrestha, 2022). It shows that Decent work significantly influences the motivation and retention of employees. If employee have a decent work, there is less job burnout. Therefore, I found significance of conducting study on employer's understanding and practice regarding decent work which gives the picture of employers' side. Regarding this, Ferraro et al. (2018) mentioned seven psychological aspects of decent work which are acceptable working time and workload, enjoyable and productive tasks, fair payment, social protection provision, opportunity for development, health and safety measures, and fundamental workplace value and principles. Furthermore, International Labor Organizations (ILO) (2013) defines decent work an opportunity for productive work, fair pay, learning and growth opportunities, social protection for the family, ability to speak up and an equal

treatment. This shows that significance of decent work for the wellbeing of employees. Thus, exploring understanding and practice of decent work is crucial as they hold the key role for making decent workplaces.

The agenda of decent work, guided by ILO standard (1999) is consists four pillars. First has focused on promotion employment creation by training and working with necessary skills through training initiatives. Second is social protection, it has focused on implementation of policies and program with the objective to reduce poverty and vulnerability, including maternity, sick leave, disability, mourning ritual, health safety and benefit for family members as well. Third one is rights at work which mentioned about safeguarding freedoms such as prohibition of child labor and forced labor, and fighting against the discrimination in employment and fundamental rights. The final one mentions the importance of social dialogue for facilitation of constructive negotiations and exchange information between government, workers, employers, particularly related to social and economic policies (United Nations [UN], 2023).

Last one highlights the significance of social dialogue and tripartism in facilitating constructive negotiations and the exchange of information among governments, employers, and workers, particularly concerning economic and social policies (UN, 2023). Similarly, Sustainable Development Goal (SDG) eight number goal has mentioned about promotion of inclusivity, full and productive employment, and sustainable economic growth, and decent work. Particularly, goal number 8.5 has talked about full employment and decent work with equal payment (UN, 2023).

Nepal's Constitution, 2015 protects the labor's right as a fundamental right in Part 3, Section 34. It demands that every laborer is entitled to fair labor practices, encompassing equitable remuneration, access to facilities, and contributory social security benefits (Constitution Assembly Secretariat [CAS], 2015). In the same way, Labor and Employment policy 2006 aims to provide decent work opportunities to the citizens of the working age group with productive, non-discrimination, exploitation free work. It includes creating a safe and healthy working environment. Furthermore, it aims to develop and regulate a labor market that strengthens the economy of the nation with enhancement of global competitiveness (Government of Nepal [GoN], 2005). Similarly, Labor Act, 2017 covers about various form of employment. It mentions about Occupation Safety and Health (OSH) and leave provision to ensure workers welfare. Moreover, it says a periodic review of minimum wage rates. This

legislation is reinforced by the Contribution-based Social Security Act 2018, which extends social security benefits to all workers irrespective of their contract type. Total 31% of basic salary which includes 11% contributions from the employee and remaining 20% from the employer. Furthermore, it mentioned about informal workers such as domestic workers (GoN, 2018).

It shows that government policies and act are at place to govern employers. Additionally, Government of Nepal targets to meet the SDG by 2030. It indicates that policies and programs developed to protection workers' rights and develop conducive work environment.

### **Statement of Problem**

The Constitution of Nepal 2015, Labor and Employment policy 2005 and Labor Act 2017 clearly stated about the decent work in practice. But in practice, it is considered decent work is less priority area for investment, particularly on the part of employers. Gibb and Ishaq (2016) mentioned on the perceptual landscape of employers regarding the concept of decent work. Despite their experience within the Scottish labor market, the interviewed employers exhibited a limited understanding of the concept as explained by the International Labor Organization (ILO). Nevertheless, further discourse revealed a willingness among employers to excel provision of basic needs and to consider a whole package for employment. It is evident that many employers perceive their existing employment practices as fundamentally aligned with the principles of decent work without having clear understanding of what decent work means. Likewise, many employers concerned focus on enhancing organizational performance and fostering conducive work environments but resource constraints to provide more decent work, particularly if businesses is struggling financially (Gibb & Ishaq, 2016).

Furthermore, informal employment covers the large portion within the labor market of Nepal. However, there is prevalence of issues of including exploitation, abuse, discriminatory practices, and violence of fundamental rights. Moreover, the effective implementation of labor legislation and policies, which are instrumental in realizing the principles of decent work, appears challenging (Baniya et al., 2019). All these studies show that there is gaps in perception among employers and implementation of decent work-related policies and act which directly affects to the employees' work condition. If there is a gap in perception and lack in execution of

policy in the workplace due to which there is a high chance of exploitation of employees.

Employee job satisfaction with working conditions, remuneration, promotion system shows a positive correlation in hotels industry in Kenya. On average, the overall employee job satisfaction in the hotels industry was rated at 3.368 out of a total score of 5. These highlights their importance for maintaining employees' satisfaction levels (Mokaya et al., 2013). The data shows that employees in the hotels industry are moderately satisfied with their jobs. The employers are the main actor to play a crucial role for decent work. Therefore, decent work is directly linked with employers, but why employer's understanding and practice is not given priority though employers are the major actor to create decent work environment.

Islam et al. (2016) revealed a gap between the written provisions and actual practices in Singapore and Italy. Consequently, many Migrant Domestic Workers (MDWs) in both nations encountered significant challenges in securing suitable working conditions, reasonable working hours, annual leave, maternity protection, and fair wages. Therefore, the organization need to promote productive workplace, advocate decent work principles, develop positive environment for employees. These efforts enhance employees' morale and behavior as well as support in overall organizational performance and stability (Shrestha, 2022). These scholars' papers indicated positive correlation between quality work environment and work efficiency among the employees. However, work condition in Nepali hotels industries in general shows not at satisfaction level. In this context, several relevant question could be raised. How employers of hotels industries interpret the decent work condition in their hotels? Are they aware? Are they implementing? Or how existing policies support or do not support them executing the real practices of decent work in their context. This study aimed at contributing knowledge on these aspects.

### **Purpose of Study**

The main purpose of the study is to explore the understanding and practice of hotels employers on decent work.

### **Research Questions**

1. How do employers in hotels industry express their understanding on decent work?
2. How do hotels industry practice decent work?
3. How do employers narrate the challenges for practicing decent work?

### **Significance of Study**

The understanding of employers regarding decent work significantly influence employees' motivation, continuation, effective performance and satisfaction of employee. A decent workplace cultivates constructive behaviors and fosters employee satisfaction in their roles. Studying the understanding of employers on decent work in the hospitality sector is crucial for promoting fair payment, provide contract, equal wage for equal work, working hours, retention, social security, and favorable working condition as per Labor Act, 2017. A study conducted by Shrestha (2022) on Employee Perspective and Decent work and Job Burnout: Evidence from Nepali Manufacturing Industries highlighted that decent work allows employees to balance between their work and personal life. To reduce the employees stress in the workplace acceptable working time, fair remuneration, workload and values at work are crucial. Furthermore, (Yan et al., 2023) highlighted on the study paper titled the Dual Influence Path of Decent Work Perception on Employee Innovative Behavior, mentioning that if employees find their work environment secure, respectful and fairness impact positively in the employees' innovation as they come up with new ideas and solution. Additionally, Inegbedion (2024) included on his paper, highlighting decent work improve the job satisfaction of employees which results to employees' commitment for the organization. All these studies are found conducted from the employees' perspective as very few researchers focused on employers' perspective. The scarcity of articles and study paper on this topic shows that this topic is still in the early stage in the Nepal. Only focusing on employees' part does not enough, understanding and practice of employers are vital to see the big picture from the side of employers. Therefore, this study focused to bring the picture on employers understanding, and practice on decent work as decent work directly affect the employee's motivation.

Studying decent work from the employers' point of view in Nepal can help bridge a gap in the existing literature, implementation of policy and proper monitoring mechanism of decent work. Additionally, this study is a guidance for the concerned stakeholders for future studies on decent work issue and can be reference for open discussion and dialogue on decent work issue.

### **Delimitations of the Study**

The study explored practitioners' perspectives using three research questions under five dimensions of decent work. This includes income security, employment

and work security, social security, work in condition of freedom and social dialogue and tripartism. It focused solely on capturing the understanding and practice of employers from non-star and start hotels in Kathmandu Valley.

### **Organization of Dissertation**

The dissertation is composed of six chapters. Chapter one introduces the study and provides an overview of its context. In chapter two, various literature on understanding, practices, and challenges related to providing decent work, relevant policies, and the human capital theory are reviewed and explained. Chapter three includes the research methodology, detailing how the study was conducted. Chapter four presents' stories of employers, chapter five presents findings and discussion and finally, chapter six discusses summary, conclusion and implications.

## CHAPTER II

### LITERATURE REVIEW

This chapter critically reviews the relevant literatures for the research. It examines both existing national and global policies and practice relevant to these areas. The review incorporates both empirical studies and field research to provide a thorough understanding. This literature review covers thematic areas; concept of decent work, legal framework for decent work in Nepal, employer's understanding, practices and challenges for providing decent work. The literature review also identifies research gaps in this topic. During literature review, I found that numerous studies conducted on decent work including hospitality sector, majority studies focus on employee, particularly job satisfaction, working condition, occupational health safety, retention and intention etc., but there is a notable lack of research targeting primary participants that is employers in the context of decent work. Employers plays a critical role in shaping workplace environment, adhering labor standards, and ensuring labor related policies and labor act 2017 of Government of Nepal. Existing literatures often overlooks their perspectives on implementing decent work principle and policy and challenges in maintaining it, however there is limited empirical evidence on how employers understand and practice to address the gaps. Therefore, study among the employers give perspective of employers' side and insights for creating decent workplace in the hotels sector in Nepal.

Furthermore, for theoretical lens, Human Capital Theory is discussed to address the issues raised in this research. Investing in employees' skills and wellbeing help to enhance motivation, productivity and commitment of employees (Reide & Showalter, 2010). It highlights that by investing in human capital through providing skill during work and considering protection of employee, which contributes to both organizational business and employees' overall wellbeing.

#### **Decent Work in the Context to Nepal**

In Nepal, there are different laws endorsed by Government of Nepal regarding labor market and decent work. Primarily, the Nepal's Constitution, 2015, Labor and Employment policy, 2005, Labor Act, 2017, Sexual Harassment at the Workplace (Elimination) Act, 2015, Child Labor (Prohibition and Regulation) Act, 2002, Trade Union Act, 1992 and Contribution Based Social Security Act, 2018. The Constitution

of Nepal, 2015 in part-3, section 34 guarantees right to labor which explicitly mentioned about fair labor practices, fair income and contribution based social security. Similarly, Labor and Employment policy, 2005 mentioned about employment promotion and worker's rights. Likewise, Labor Act, 2017 explicitly mentioned about employment condition, working hours, leave provisions, safety, child labor, trade unions. Further, Sexual Harassment Act, 2015 speaks about prevention and elimination of sexual harassment at workplace. Whereas Child Labor Act, 2002 bans child labor. The Trade Union Act, 1992 which talks about protection and promotion of rights of workers. It ensures rights of workers to organize and bargain collectively. Similarly, Contribution Based Social Security Act, 2018, it establishes social security scheme such as medical, maternity protection, pension, etc.

Decent work-related law, policies and acts are crucial to make a conducive environment for workers at workplace. The policies serve as a safeguard for the employee and maintain relationship and power between employers and employees. The legal provision legislates the labor market and improve decent work condition (Shrestha, 2022). However, as per my experience working with employers of hotels, having policies is not enough it's proper understanding and implementation are equally important to create the decent workplace.

While reviewing decent work indicators published by ILO, 2013, the Framework for Measuring Decent Work includes ten key elements, which align with the four strategic pillars of the Decent Work Agenda: (i) International Labor standards and fundamental principles and rights at work, (ii) Employment creation, (iii) Social protection, and (iv) Social dialogue and tripartism. The ten elements serve as comprehensive indicators to evaluate and promote decent work globally. It includes fair earnings and productive work, employment opportunities, working hours, balance between work, family and personal life. Additionally, it covers work which should be eliminated, security of employment and stability, equal treatment and opportunity in work, safe working environment, social security provision, and social dialogue including representation of workers and employers. This framework intends to cover all dimension of quality of work and rights of workers which ensures fair and productive employment which is accessible for all. Though this framework covers all dimension of worker's right, working environment and wellbeing and employment accessible to all. The question is that do all these indicators properly understood and implemented by employers. Do these fit for all country's context? The framework

developed in the global context sometimes clashes with the local realities. Therefore, need to see from the local realities.

Policy makers and stakeholders can monitor progress and condition of decent work and identify gaps in labor standards in countries by measuring these indicators. In nut shell, ILO systematically sketches elements in this framework for measuring decent work to guide countries and organization to improve working condition associated with four pillars, stressing rights, employment, protection and dialogue.

Similarly, Labor and Employment policy, 2005 and Labor Act, 2017 and Contribution based Social Security Act, 2018 talks various aspects of labor relation in Nepal with aim to promote decent work in the workplace and enhance labor relations. These legal documents include employment contracts with well-defined term and conditions for the employees. However, most of the policies explicitly mentioned about formal employment and less about informal employment as in Nepal.

Another important point is working conditions which help to safeguard the health, safety, and welfare of workers, while remuneration provisions guarantee fair and timely payment for labor. It has also mentioned the provision of leave. Leave provision are mentioned to support workers' rights to rest, and clear procedures and conditions are included for termination of employment ensuring as per law and fair termination practices. Another important point is establishment of grievance hearing system to keep workplace discipline and provide ways to solve conflicts. Similarly, social security provision provides necessary benefits for workers' health, old age and emergencies, which reflects Nepal's commitment toward social protection.

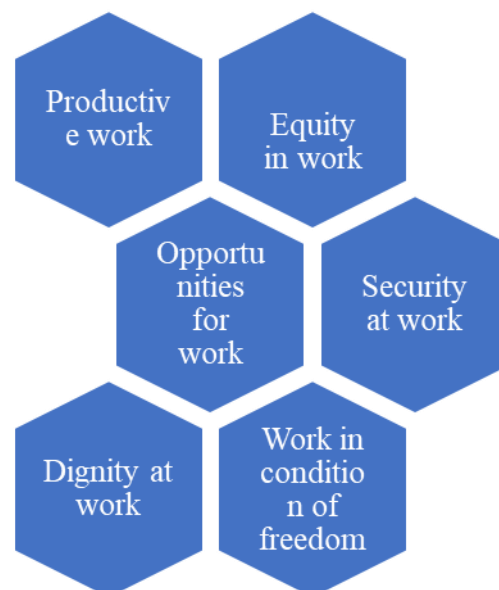
In additional to this, labor inspections are essential to impose compliance an sustain labor standards. The functioning of labor courts ensures access to justice for clashes which can arise in labor relations with aim strengthening the legal resources available for workers and employers. All these policies and frameworks supports the fundamental principles of decent work: rights at work, employment opportunities, social protection and social dialogue to ensure fair, safe and productive work environment in Nepal.

Similarly, Ferraro et al. (2018) explains seven psychological aspects of decent work. These aspects provide dimensions provide an understanding of qualitative aspects of work which contribute to employees' motivation and wellbeing. The first dimension is adequate working time and workload which emphasizes a balance of hours and manageable work, which is very important for work life balance.

The second dimension, fulfilling and productive work, reflects the importance of work being meaningful and contributing to work, thus getting a sense of achievement and purpose. The third aspect is fair remuneration which includes fair compensation with financial and recognition of worker's contribution. Fourth one is social protection which is crucial elements to ensure workers security against social and economic risk.

Fifth dimension is opportunities which, refers to access to career growth, skill development, and advancement. Sixth dimension is health and safety at the workplace which highlights the fundamental needs for psychological and physically safe environment, following occupational health and safety protocols. The seventh dimension is fundamental principles and values at work, which has focused on participation, dignity, respect and fairness which helps to create a positive culture in the organization and guarantee of workers' rights. These seven psychological dimensions helps to improve the concept of decent work through integration of perception of workers with labor standards. It offers valuable insights to improve condition of workplace and enhance motivation and wellbeing of employees. However, seven psychological dimensions are seen from the employees' psychology, but found gaps in employer's psychological aspects. What psychology of employers work to provide decent work. It should be explored to improve practice of decent work.

Furthermore, Anker et al. (2003) highlighted six dimensions of decent work to define and measure what comprises decent work in both economic and social terms.



In the above figure, the first dimension, productive work, focuses the essential for jobs that gives result within given time, effort and resources. Second dimension is equity in work which highlights the importance of non-discrimination, fairness, equal pay regardless of gender, ethnicity, disability and background. Third dimension is security at work which includes both stability in employment and protection against any kind of risk such as exploitation, abuse, health related risk and injury. Fourth one is work in condition of freedom from forced labor, pressure, and security of job. Fifth dimension is dignity at work which highlights value, respect and treatment as a human to all workers, considering their basic human rights.

The final dimension is opportunities for work refer to the availability and reachability of employment for all who seek it. It contributes to the broader goal of inclusive labor markets. In summary, combined these six dimensions by Anker et al. (2003) present a holistic idea that includes economic sustainability, social justice and human rights. These six dimensions highlights that without valuing labor, respecting their dignity, ensuring safety and security at workplace, providing opportunity, cannot be gained productivity in work.

Based on above indicators and dimensions covered on Labor and Employment policy, 2005 Labor Act, 2017, Contribution-based Social Security Act 2018, International Labour Organization, 2013, Anker et al., 2003, Ferraro et al., 2018, I have developed below framework and the study conducted accordingly. The above-mentioned dimensions are more from global and researcher's country context but the scenario of Nepal is different as Nepal is dominant by informal sectors. In Nepal, employees are struggling in even getting the minimum wages standards so this framework covers includes global and country context indicators. See the detail of each dimension including indicators in below table.

**Table 1.**

*Comprehensive Framework to Assess Decent Work Status at Hotels in Kathmandu Valley, Nepal*

<b>Dimensions</b>	<b>Indicator</b>
Income Security	Adherence to minimum wage standards Terms and conditions of employment termination
Employment and Work	Working hours
Security	Annual salary increments

	Festival allowances
	Leave provisions (weekly, public, personal, sick, maternity, mourning, etc.)
	Occupational health and safety arrangements
Social Security	Enrolment in Social Security Fund (SFF), gratuity, provident fund, and medical insurance
Work in condition of freedom	Equal remuneration for equal work
	No discrimination based on religion, color, sex, caste, tribe, origin, language, or ideological conviction.
	No forced labor
Social Dialogue and Tripartism	Tripartism: A specific form of social dialogue where representatives from the government, employers, and workers collaborate to ensure that all parties affected by labor policies have a voice in the decision-making process.
	Consultation and Cooperation: Engaging in discussions to resolve disputes, develop policies, and improve labor standards.

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Table 1, includes the dimensions of decent work and the indicators that measure each dimension. First, income security which talks about workers receive fair wages by following to minimum wage standards and having clear, terms and condition about employment tenure, job duty and termination. This secures their financial stability and job security.

Second dimension employment and work security, covers aspects of working conditions such as regulated working hours, salary increments, and various allowances including festivals allowances. It also includes leave provision weekly, public holidays, annual, sick, maternity, paternity and mourning leaves making sure a healthy work-life balance. Additionally, this dimension highlights occupational health and safety to protect workers in their workplace.

Third one is social security needs workers enrolment in social protection schemes such as social security funds, gratuity, provident funds, medical insurance and safeguarding beyond wages.

Fourth is work in condition of freedom dimension emphasizes on human rights at work. It mandates equal pay for equal work, no discrimination based on religion, caste, sex, language, economic background and prohibits forced labor.

Final one is social dialogue and tripartism, which highlights government, employers, and workers jointly participate in labor policy-making, regular dialogue to solve the gaps and resolve the dispute. Tripartism ensures inclusive decision-making, consultation, and cooperation to improve labor standards and resolve workplace issues collaboratively.

These dimensions give a comprehensive framework to measure and promote decent work which includes economic security, social protection, human rights and inclusive dialogue. Based the above framework, current status of understanding and practice of decent work in Nepal is interpreted in the following section:

### **Employment and Work Security**

In its 47th Convention (1930), the ILO defined full employment at 40 hours per week (ILO, 2004). Employers are not allowed to have workers put in more than eight hours per day or forty-eight hours per week as per Labor Act, 2017. Children and women are the most vulnerable in these types of work from the point of view of exploitation such as long hours of work with very low paid wages (ILO, 2015).

Furthermore, (World Salaries, 2024) highlights male hotels staff earn around 7% more than their female counterparts when performing the same job in the hotels industry. It shows that female is struggling in the hotels industry to get the equal payment for equal work. It highlights the gaps in implementation of equal payment for equal work despite of sex, caste, religion, disability, economic status etc. ILO (2002) mentioned that contract workers and daily wage-based worker frequently exceed the 48-hour work week limit. Many workers who work in micro and small enterprises sector work longer hours in poor working conditions. It highlights that the staffs' wellbeing has not kept in priority. Furthermore, (ILO, 2002) highlighted that regulatory body is lack effective monitoring their working conditions.

Nepal government has Occupational Safety and Health (OSH) standard, 2017 which speaks about the occupational health safety of the workers (ILO, 2020). It is very important for employee to make feel safe and respected. Sexual harassment is viewed as a breach of the fundamental rights to a safe and secure work environment. It covers behaviour that makes works feel uncomfortable, which can make the workplace feel threatening for them (ILO, 2004). Improving the behaviour of

employees within the organizational climate is necessary to enhance employee satisfaction levels (Mishra et al., 2021). There is lack of awareness regarding safety measures among many workers, and numbers of them do not follow it which results to accidents and health hazards. Furthermore, employers also view occupational safety and health measure as an additional expenditure. They prioritize production and cost reduction rather than ensuring occupational adequate safety measures are at place (ILO, 2002). The study carried out in Biratnagar, Birgunj, Dharana, Pokhara, Hetauda and Kathmandu shows that more than 53.8% of women participants shared personal experiences of sexual harassment including humiliation, emotional stress, anxiety, depression, anger, powerlessness, fatigue and physical illness at the workplace (ILO, 2004).

It shows that there is gaps in proper implementation of decent work in the workplace due to which employees' feel stress and unsafe and unprotected during their work. Therefore, employers must have understanding and proper practice of decent work at their workplace.

### **Income Security**

World salaries (2024) explored about the salary of hotels staff of Kathmandu to provide insights on how salaries change over the time in this sector. Within last 12 month, only 7% employees reported that they have received bonus.

Equally, 93% reported not receiving any bonuses during the same period. The study reveals that the highest salary found NPR. 5,66,900/annum (equal to NPR. 47,242/month), whereas, the lowest is NPR. 1,91,600 (equal to NPR. 15,967). It is worth noting that the lowest salary falls below the government's allocated salary scale (minimum NPR. 17,300/month during this study time in 2025 before June month). The salaries for hotels staff differ based on gender, educational background and experience.

In the hospitality industry, entry-level employees receive low pay across the board. The salary provision does not have particularity among them have bachelor's degrees and specialized training in different areas receive similar entry level salaries (Shrestha, 2020).

The Labor Act, 2017 mentioned that employers are required to enter into an employment contract with any person they hire with specification about type of work, working hours, position, salary scale and other benefits (GoN, 2017). But as per

above mentioned data, the salaries are paid below the Government of Nepal range. In this case, they do not provide contract to the employees.

### **Work in Condition of Freedom**

Labor Act 2017 of Nepal emphasized protection of worker with guaranteeing their right to work under the condition of freedom. It mandates equal remuneration for equal work, prohibiting wage disparities based on gender or other irrelevant factors. The act also bans discrimination based on sex, caste, religion, colour, origin, language or ideological belief with promoting fairness and inclusivity in the workplace. Moreover, the Act bans forced labor that all work must be performed voluntarily. These provisions support for a fair, equitable and conducive workplace environment. However, discrimination practice at hotels based on gender, age, religion, nepotism and favoritism are at the moderate level in the workplace in Nepal. The findings of study highlights that the biased and unfair practices decrease the motivation, job satisfaction and performance of employees (Thapa & Niraula, 2024). Likewise, Shrestha (2025) highlighted in her study that the women workers are facing challenges in the hotels sector. 60% respondents agreed that they encountered more customer harassment and inappropriate behavior than male co-workers. It shows that time, there is area of improvement in hotels sector for women to work in respectful environment.

### **Social Security Fund/Facilities**

The Constitution of Nepal, endorsed in 2015, recognizes social security as a fundamental right of citizens under Article 43. The Labor Act outlines social security benefits such as provident fund, gratuity, and Contribution-based Social Security Act, 2018 provisioned the Social Security Fund (SSF). The Social Security Fund (2024) mentioned in their annual report of 2080/81 (2023/24), total 19,210 employers and total contributors 1,491,540 from formal, informal and foreign employment. It shows that still many employers are yet to enroll in SSF which means many employees are deprived from the benefit of SSF.

Thus, during this study, I collected the information on understanding and practice of social security fund allocation at hotels by employers.

### **Social Dialogue and Tripartism**

Encouragement should be provided for the establishment of both tripartite and bipartite social dialogues, extending down to the levels of industrial relations development, conflict resolution, and policymaking processes (GoN, 2005).

Despite Government of Nepal's policy and act covers various aspects of labor relations, such as employment contracts, working conditions, remuneration, leave, termination, discipline, grievance handling, social security, labor inspection, labor administration, and labor courts, but it arises many questions as it faces challenges in the its effective implementation including a lack of awareness among employers (Baniya et al., 2019). Questions arise about the participatory nature of the policy formulation process, as it remains unclear whether the government engaged employers in the development of the Labor Act 2017 or in discussions about decent work. There is also a notable absence of regular review and dialogue between the government and stakeholders regarding the implementation status of the Labor and Employment Policy 2005, Labor Act 2017 and Social Security Act 2018. It is questionable that has government conducted sufficient studies to identify the challenges and consequences of the policy and act, does adequate programs are at place to ensure its effective implementation by all parties. The questions arise that does policy and act primarily focused on the right based approach and less attention given to employers' viewpoint. Additionally, the raises concern about the applicability of the policy and acts in the socio-economic context of Nepal.

Addressing these issues requires a rigorous effort from all parties involved to follow compliance, enhance awareness, strengthen enforcement mechanisms, and engage in ongoing dialogue and review processes.

Additionally, employers engage in discussions about improving the conditions for decent work is crucial. All parties need to play crucial role to promote decent work at workplace.

### **Theoretical Understanding**

To understand the employers understanding and practice on decent work in Kathmandu Valley requires a multidimensional theoretical which captures interplay between employers understanding, organizational practice and social and economic and institutional challenges. To address this complexity, this study conducted based on two theoretical perspectives: Human Capital Theory and Institutional theory. Together, these frameworks explain how employers understanding and practice decent work at their workplace based on ILO labor standard and policies and acts of Government of Nepal. The theory was primarily advanced by Schultz (1961) argued that investment in education, health and wellbeing of human resource improves productivity. Likewise, Becker (1964) suggests economic investment in employees'

skills, knowledge and experience is important to increase productivity and economic value. Wuttaphan (2017) mentioned human resource are the most invaluable and irreplaceable capital of an organization specially in the sector where service quality depends on employee's performance, interaction and behaviour such as hospitality sector. These authors highlighted human resource as a property which contributes in organizational progress and success.

There is significance of investing in development of the employee. Human resource can be development through strategies such as training, technology integration, diversity and staff welfare in hotels business (Talukder & Kumar, 2024). These investment in human resource not only improve employee skill and competencies, but also improve competitiveness of organization in the global market.

In addition, human resource development has been shown to directly affect the quality of service in the hospitality industry. For example, research indicates that hotels with high investment in human capital demonstrate better value creation through better employee performance and customer satisfaction. It outlines the important role of human capital in achieving organizational goals by following decent work principles (Talukder & Kumar, 2024). By adopting theoretical lens of human capital theory, this study provides a framework to explore understanding and practice of employers on decent work in the hotels sector in Nepal. This theoretical lens also highlights the implications of investment in human capital through providing decent work. However, this theory does not adequately address issues of enforcement of labor standards, workers' rights, gender equality and social inclusion. Therefore, I have adopted institutional theory to ensure reality of understanding and practice of decent work standards at workplace. The institutional theory is founded by Veblen (1899) who introduced this concept as rules, habits, norms which shapes economic behaviour. The original theory focused on how institutions constrain and enable behaviours, prioritizing legality, constancy and acceptability over efficiency. It highlights institutions are like a rule that guides how people act.

The modern theory was formally developed by Meyer and Rowan (1977) and later expanded by DiMaggio and Powell (1983). Scott (2014) highlighted three pillars: regulative, normative and cultural cognitive. Furthermore, Lewis et al. (2019) explains regarding the institutional theory that how understanding and practice of employers shaped by believes, norms, rules and cultural expectation. Additionally, Scott (2014) explains four institutional mechanisms due to which human resource

management practices are influenced: 1. Laws and regulations such as Labor Act. 2. Seeking authorization such as organization gain approval from concern authorities to prove they are legitimate. 3. Quality award and 4. Imitation of other. The arguments plan into three different isomorphic forces: coercive (obeying law), normative (meeting social standard) and mimetic (copying peers). This institutional theory fits in my research topic “Employer’s Understanding and Practice on Decent Work in Kathmandu Valley.” As the decent work defined by ILO mentioned not only wage and employment but also rights at work, social security, freedom from any kind of discrimination and exploitation which is beyond market efficiency. The institutional theory provides the lens how employers’ behaviors are shaped by regulation and law, their associations and imitate global standards and practices.

## CHAPTER III

### RESEARCH METHODOLOGY

This chapter explains employed methodology for this research. It outlines selection of the research topic, location, methods, identification of the participants, information collection, data presentation, meaning making and research's ethical consideration. Overall, this chapter serves as a wide guide of how research was conducted.

#### **Research Design and Method**

This study adopted a qualitative research method as the primary method of data collection and analysis of published documents as secondary data (Creswell & Poth, 2018). The study employed one-on-one interview method for identification of understanding and practice of hotels employers toward decent work in Kathmandu Valley. The understanding and practice were captured through in-depth interview of employers for this study.

For this study, I followed narrative inquiry as a research method. Narrative inquiry is qualitative approach which reflects the lived experienced and personal stories. The participants involved in narrative inquiry enjoy the process and often see them co-collaborators in study topic (Savin-Baden & Niekerk, 2007).

I narrative participants story and experience exactly they told me during the collection of information. I adopted narrative inquiry for my research to present the stories of my participants, i.e. employers' understanding and practices on decent work: A study in hotels in Kathmandu valley. This approach will give voice to employer and also places to share their experiences with discourse on decent work.

Dwyer and Emerald (2017) described narrative inquiry that it covers different approaches for use of narrative inquiry method such as use of full formed stories shared by participants. In my study, the stories of employers in Kathmandu valley were narrated. The story focus on both personal understanding and practices of decent work and broader narrative. It explored how employers make sense in their own context and wider context.

#### **Study Area and Participants**

Kathmandu valley is the most popular tourist destinations of Nepal, falls under the Bagmati province, Nepal. There are large number of employees are employed in

Kathmandu. The larger number of employment providers is hotels. Therefore, I chose Kathmandu valley, Bagmati province, Nepal as their understanding on decent work does matter to create decent workplace in this the most popular tourist destination.

For this study, the researcher purposefully selected five employers but all are male (which was not purposive) for this study from non-star and star hotels that have between 24 to 100 above employees to capture the broad spectrum of understanding and practices. The five participants provided sufficient information for qualitative analysis to meet the study objectives. The approach allowed for the cautious selection of hotels that fit specific criteria relevant to research objectives, ensuring identified participants are relevant, staffs inclusion and diversity status, multiple service providing hotels. The data collection was done through guiding check list among Manager level and Owner of hotels from Kathmandu valley.

### **Data Collection Tool and Techniques**

The data collected through in-depth interview for 45 minutes to 2 hours 30 minutes based on some guidance checklist of decent work principles by the International Labor Organization (ILO) and Labor Act 2017, Government of Nepal.

This approach aligns with the qualitative research method, with guiding checklist helped to get the wider insights into the experiences and perspectives of the participants (Yin, 2015). Interaction through open-ended interviews not only provided valuable insights but also ensured that the participants felt comfortable sharing their understanding and practice openly. It also highlights that such interviews increase the reliability by ensuring that the data accurately reflects the reference to the real world (Yin, 2015).

Initially, I reached the employers and shared the objective of the study. However, knowing about the objective of the study, some employers denied to participate in the interview. Some attempted to present better scenario then situation. To get the accurate and detailed information, researcher applied the strategy of asking probing questions during the interview. Posing a follow up questions to explore deeper into the participants' answer, encouraging them to provide more insights.

### **Interpretation and Meaning Making**

To address the research question, interviews were conducted with employers from five hotels of the Kathmandu Valley. Before interview, I took consent for recording of the interview, two participants allowed me to record and remaining three hesitated so, I noted down information on my dairy. The collected information was

transcribed exact same what employers said. Then, coding was done from the transcribed information, followed by making many sub-thematic areas. Based on sub thematic areas, I have developed thematic areas for the further write up. After development thematic area, information presentation was done. Thereafter, findings and discussion were presented in two themes; Reality of Practice of Decent Work at Hotels in Kathmandu and Challenges for Employers to Provide Decent Work

### **Quality Standards**

The quality standard was maintained by researcher to assure the required quality of the study. According to Yin (2015), a credible study provides assurance that the researcher properly collected and interpreted the data so that the findings and conclusions accurately reflect and represent the world that was studied. I have also collected data through in-depth interview, and transcribed all data, prepared separate story of each employer and wrote findings and discussion. I ensured that all presented and interpreted information are properly backed up by evidences from study of researchers. Further, the findings from the study, the existing literature on understanding and practices was reviewed to enrich the analysis and provide perspective on the subject matter (Olsen, 2004).

The quality standard was ensured in this study based on decent work principle and measurement indicators by ILO and labor act 2017 of Government of Nepal. I conducted this study by visited employer's workplace, verified the information by checking interaction and observation. I provided enough time to participants to explain the information and asked the questions to ensure I understood information in a right way. Further, I quoted the participants' voices in the study for authenticity.

### **Research Ethics**

I understand the importance of ethical consideration in academic research. While collecting information, I was fully aware of the standard principles of ethical consideration in line with ethical guideline of School of Education, Kathmandu University. I informed all participants about the purpose of the study and obtained consent before proceeding with interviews and recording. I assured them the collected data would be kept confidential and protected as per their request to maintain privacy and trust of participants.

## CHAPTER IV

### EMPLOYERS UNDERSTANDING AND PRACTICE ON DECENT WORK

In this chapter, I present the narratives of five employers (three are star hotels and two are non-star hotels) on decent work based on interview conducted with them. I narrate here actual words of the participants to give them authentic voices about their understanding, practices and challenges to provide decent work.

#### **Lack of Working Culture in Nepal: Story of Dipendra**

I came to know about Dipendra through colleague who has been running boutique hotels (type of hotels) in Lalitpur. Firstly, my colleague informed Dipendra about my research objective and he agreed to talk with me. Then, I contacted him on phone and shared about my research topic and objective in detail, then he is convinced to provide the information. Then, we discussed the date, time and location for the interview considering the time of employers. As per schedule, I met Dipendra in his hotels, in Lalitpur on 23 February 2025, Sunday. He was in formal uniform with coat and pant. We sat in the lobby of the hotel nearby reception and coffee place from where we can see the movement of guests and staffs easily. After informal conversation with him for 10 minutes about my research topic, I asked for the consent to record the interview. He gave consent then started interview from how he came in the hospitality sector. I had an interview with him around two hours 30 minutes but in between he took few minutes break to greet his guest.

Dipendra operates a boutique hotel categorized as non-star with a capacity of approximately 45 staff members. Among these, 40 are directly employed by the hotels while 5 are outsourced personnel including security guards and accountants. The boutique hotel is a small, stylish, unique, personalized experienced and distinctive design which reflects local culture.

Further, employer's shared about his journey to the hotels sector which was unconventional as he initially worked at a money exchange center in Thamel, Kathmandu assisting tourists in coordinating with hotels. He has somehow idea of hotels sector from outside while working closely with hotels person and interacting with tourist showed him possibility to start his own business of hotels. Dipendra started his work as a money exchanger and supported tourist to find out good accommodation. This exposure helped him to decide to open a hotel. Having not

enough experience in hotels sector as Dipendra did not have employment experience and absence of proper guidance prior to opening the hotels. He admitted that due to lack of experience in hotels sector, he is learning by doing every day. No idea on pros, cons and of hotels business.

The hotel was established in 2020, shortly before the COVID-19 pandemic. The hotel reflects Nepali culture in its operations. Unfortunately, the business was forced to close after only five months of opening due to nationwide lockdowns and decreased guest flow. He further says:

*During the COVID pandemic, we faced challenges, particularly financial struggles including inability to pay loans and full staff salaries. Government assistance was minimal, limited only to property tax discounts, due to all these struggles it took a time for recovery and revive business.*

As Dipendra highlighted that during the COVID pandemic, he shut down the hotels and no revenue was generated due to which he could not pay full salary to staff. It shows that there is absence of decent work in his workplace during COVID pandemic period.

Further, Dipendra stated that he does not feel it's going great due to lack of good revenue, but increasing the property and investment, people do not trust that he does not have good income. He said that due to insufficient revenue, both staff and employers receive limited benefits, affecting overall trust and business sentiment. Despite these constraints, he sought to make a work environment rooted in Nepali cultural values. While working, he realized that the workplace environment does matter for employee as well. Further, I asked question about what does matter a lot for employee for their retention and satisfaction. He replied that workplace environment, income and recognition of employee value. He said that he ensures safety and security of employee especially female employee if there is duty till the evening time.

Dipendra mentioned more about guest safety and security such as challenges due to frequent and unpredictable rule changes including bureaucratic delay makes complication in planning of guest logistic which directly impact in his business. I again asked question about staff safety and security. He highlighted that they have practice to conduct fire and emergency safety training for staff to prepare them to evacuate guest during the emergencies.

Further, he shared recruitment process that how do his organization recruit staffs. He shared that recruitment is mainly conducted through social media. The

organization posts vacancy on social media and also does coordination with training institutions. Dipendra shared that he has faced difficulties on time as they cannot get skilled human resource and struggling to ensure workforce diversity. He has practiced a formal interview process, contract with probation periods. He emphasized that they have significant numbers of women employees as women are more stable than men and also women are more loyal. Guest also feels comfortable with women, however socio-cultural barriers and safety concerns limit female participation in the night shift. Therefore, Dipendra's hotels does arrange shift for female after 10:00PM.

He emphasized that he hires freshers assuming that they remain long-term employees but this assumption often proves false, as staff plans to leave within six months. Further, he added that they are influenced by better opportunities elsewhere, including foreign employment. He shared that staff turnover in short time period is a big challenge in current labor market particularly in the hotels sector. As many hotels are opening, high salary expectations, attraction toward foreign employment as they assume that there is a very good opportunity and salary so these are the main reason. Further, he highlighted that there is high turnover experienced in entry level position compare to executive roles, which have a higher retention.

Likewise, the working environment, cultural and societal aspects are another reason. The employer narrated an incident reflecting cultural sensitivities. He further says:

*There was a staff member from a good family background who would hesitate to serve if he sees his neighbors or relatives in the hotels. He would say, they are my neighbors, and I feel uncomfortable. He would often request the supervisor to send another staff member to serve them instead.*

This shows that there is a lack of working culture and respect to work in Nepal which pushes the employee for turnover. This also highlight need to developing culture to respect the work and no hierarchy and discrimination at work place based on position and type of work which means it shows need of decent workplace.

Dipendra claimed:

*There is a gap between employer expectations and employee perceptions worsens retention problems. We invest considerable resources training staff, which involves losses due to damaged equipment and wasted materials during skill development phases. I want to give one example of my ex-staff. I had assigned him for coffee section. He was fresh and did not know about making*

*coffee. I gave him in-house Barista training wasting NPR. 3,000-4,000 worth of coffee before mastering the craft but after 6 months, he left the organization seeking better opportunities.*

Though employers invested in employee to polish their skills but after gaining skills they pursue better opportunities. It also highlights that employee always explore better opportunities, if he would have seen his secure future, he might sustain at current work. However, Dipendra claimed that his hotel pays staff minimum salary as per government regulation (NPR 18,000 in 2024/25) and SSF contributions and incentive schemes. He said that there is no zero labor exploitation in Nepal in hotels sector despite government's imposed minimum wage standards. It highlights the need for greater government oversight and enforcement.

According to Dipendra, employees express unwillingness to be enrolled in SSF due to maturity period at the age of 60, and prefer to use salary for immediate needs rather than keeping in SSF. The employer said that there is lack of proper awareness regarding SSF long term benefit among employers and employees both. He further says:

*SSF is not well understood by staff. They feel like their salary is being cut by organization and they will never get that money back once they leave the organization. Next reason is many young already have plan to leave for abroad so they are not interested in long-term SSF.*

It shows that extensive awareness with significance of SSF among employers and employees is needed. Also, there should be system at place that employers should be mandatorily enrolled in SSF. He further says:

*Government should have strong monitoring system through system which should compel employer to provide facility as per policy of Government of Nepal. For that all employee must have to be enrolled in SSF and mandatorily need to submit labor report by employers.*

Additionally, employers blamed that removal of service charge provisions by the government has demotivated staff, as previously they earned about 10% of bills in service charges. Now, after deduction service, charge staffs are demotivated as their earning is reduced. The employer opposes this policy change, considering service charges an effective control against fraud. The employer mentioned that he observed service charge in other country during his overseas travels.

Furthermore, Dipendra shared about his organization's leave provision, claiming that his hotel provides leaves as per government mandate but if leave accumulate, they forced to take leave with supplemented by tour packages. Maternity leave policies are followed as per government regulations with hiring contract staff to cover the maternity. Employees claim leave as a right rather than facility. He says, *“Employee consider leave is their right rather than a facility but as per government labor act, leave is a facility. The thinking of employee complicating workforce management.”*

Though employees think leave is rights and employers think leave is facility, the leave provision is also crucial to staff to get over from hang and frustration of work. They also need to recharge themselves to carry out their work efficiently.

In between the interview, his guest arrived and he asked me excuse and went to greet his guests. At the same time, he requested his staff to service coffee to me. After 10 minutes conversation with guests, he came back and we continued the conversation.

Moreover, Dipendra stated that his organization also invest in training and development of staff. Training is conducted mostly in-house and occasionally by external training providers at nominal cost. This capacity building events help to enhance professionalism of staffs but due to budget limitation, could not give opportunities frequently. Dipendra added the trade union has a good purpose but have been misusing it with political influence, thus reduced positive impact. Moreover, Dipendra expressed some dissatisfaction about law and taxation practices. There is lack of differentiation on tax based on size of hotels which affecting profit and employee's benefits. The tax policies slab should be different for different category of hotels based as the small and big have same kind of provision which affect hotels.

This shows that he has dissatisfaction on some section of labor act and regulation of government which have been hindering their business. The question is that does it also affecting them providing decent work.

The narrative of Dipendra makes insights for employee and employers wellbeing, highlighting key words such as workplace environment, income, recognition of employee value, labor market issues and government policy implementation difficulties, and socio-cultural constraints in hotels sector.

### **New Employee Cannot Handle Pressure Properly: Story of Brijesh**

The case story captures the participant's reflections, their decision-making strategies, and the faced challenges in ensuring both operational excellence and staff welfare.

I was connected with Brijesh, the Manager of the star hotels through my classmate of MTVET, batch-2023. I talked to him on phone and fixed venue, date and time. He invited me in his hotels on 6 March 2025 for the interview during the lunch break time at his hotels in Lalitpur. The hotel is luxurious hotel with pool, SPA, dining, wellness facilities, sweet rooms etc. As per given schedule by Brijesh, I met him at his hotels in Lalitpur for the interview. He was in formal dress navy blue color coat and pant with white shirt. I had around one-hour interview of Brijesh in his restaurant area. The interview is started with education and work background. He shared that he has studied the hospitality management and doing work in the same field.

Further, I asked question how Brijesh's organization process for recruitment of staff. He mentioned that vacancies are announced on platforms such as LinkedIn and does coordination with TVET institutions, but the organization also values encouragement of internal staff. He further says; *"Sometimes, trainees impress us during their traineeship program and we encourage them. However, the process is rigorous: We conduct interviews to ensure suitability"*.

This shows that organization has a strategy to provide an opportunity to new talent in the organization which also help them to fulfill human resource requirement for the organization.

Then, he shared about workforce composition in his organization. He shared that they have a 100+ staffs including 30% female an explicit effort toward gender inclusivity as per their organizational policy. However, there is a practical challenge to meet 30% targets on the ground. He further added:

*In my experience, it is difficult for females in a hotel as they cannot stay for night duty. Sending women for room service, especially during late hours, raises protection concerns it can compromise their safety, as not all guests behave respectfully. Therefore, it is always challenge for the organization to make an inclusive as per organizational policy.*

Further, he added that the management only assigns female staff to deliver room service to female guests and arranges mostly day shifts for them. He emphasized that organization tries to manage women in safer areas and departments.

Further, he explained that safety remains a main concern, and the hotels adopts an does not just sees it from the perspective of guest security, but staff wellbeing too. The participant detailed a variety of measures:

*“We keep checking the temperature of food, store samples for three days to monitor for food poisoning, and have routine lab checks. Hygiene audits and global safety guidelines guide us. Moreover, we provide vaccinations and medical check-ups in every cycle to all food handlers.”*

He highlighted that they do monthly orientations reinforce regarding food safety standards.

In between interview, his staffs call him for some discussion and he took around five minutes time for his work. After five minutes, he continued the conversation regarding safety. He added that fire safety simulation is conducted through close coordination with the local brigade office. The risk mitigation strategies are adopted into daily operations. Importantly, the participant highlighted a formal reporting system for harassment or abuse at place in his organization. He said, *“We have a reporting system in place where a reporting committee consisting HR, staff, and one independent outsider (medical person) is formed who handle the harassment and abuse related incidents of organization.”*

Further, he highlighted that they provide regular orientation to the female staffs on potential protection risk, and required continuous support. All newly hired staff must complete compulsory online training on policy, safety, and professional conduct before they can begin work. He says:

*There’s high turnover at entry and mid-levels. Most young staff join us just to get certificates only which they need for foreign employment, there is a trend to leave organization after just 6-9 months. We are struggling to sustain them.*

Further, I asked question that one hand TVET graduates are struggling to get the work, on the other hand Brijesh highlighted that another challenge is to get skilled worker and retain them as well. He added that there is disconnect between academic ideals and realities of world of work. While studying in academy, they are not well verse about the real-world scenario. But after joining the work, they realized it is far different and complex than their expectation. The next reason for dropping out is that

academic study and real-life work are totally different; they cannot handle the pressure of the workplace. The participant highlighted main reason for dropping out is expectation of employee does not match as they invest more money in their study, but they get basic salary in the beginning, and they expect to be high in a few months and leave the work. They leave the work exploring better opportunity in abroad where they get better payment even in entry level which is incomparable with the salary of Nepal. He further adds:

*In the hospitality industry, everything is fast-paced. The reality is very different from academic education. They experience work pressure and expect high payment from the beginning, and if it does not fulfill, they leave. There is a pressure at hotels specially for new staff as they need to learn everything in real situation. They should have to develop to their capacity to handle the pressure.*

Additionally, I asked how does salary structure looks like specially in the entry level. Brijesh added that the entry-level salary scale depends on the experience of staff as well. He shared that the minimum salary started in line with government's salary standard. However, there is a higher dropped out in entry level. He shared that in higher-level roles, retention is good possibly owing to better pay, clear career paths, and alignment of expectations with on-the-job realities.

Further, I asked the question about work hour and over time. The responded shared that there are not certain working hours especially in the hotels sector as this is a 24/7 business. Additionally, the responded mentioned that the salary scale is fixed from an executive level above (senior level), therefore, they do not get overtime. Below the executive level, they have an overtime payment system. Further shared his disappointment that after the deduction of the service charge, the junior level staffs are more impacted. He says; *“After removing service charge system, lower-level staff earnings are dropped. Due to which staffs were discouraged, then the organization revised their salary to cover the gaps”*.

Further, I asked question about salary revision, he highlighted that they have a performance audit system to increase their salary, they need to pass two audits. This merit-based progression aims to motivate staff.

This case story brought the reality of workforce of hotels. The pressuring is accepted as an obvious in hotels sector. The difficulties for promotion inclusivity, safety, and economic motivation due to which dropped out is one of the major

concern hotels sector employers have been facing. The participant's reflections provide rich, actionable insights of hotels sector specially regarding workforce.

### **Beginner Employees Do Not Generate Equivalent Returns: Story of Laxman**

I reach out to Laxman through employer of previous story Brijesh. I went to meet Laxman on 6<sup>th</sup> March 2025 but he was out of office due to some urgent work. I waited around half an hour then he arrived and invited me at his desk where he and his one staffs were working together. He was the HR person of star hotels. This is a luxurious hotel with amenities like rooftop pool, SPA, modern dining, travelers service, wellness facilities, sweet rooms etc.

While starting the interview, Laxman said that he has limited time for the interview, however he gave around 45 minutes while describing all the situation. He shared examples during interview based on his experience as he has a long-term experience in Nepal's hospitality industry.

I asked first question how did he get skilled human resource for his organization. He has started saying *dherai gahro chha* (it is very difficult) and he shared the ongoing difficulties his company faces in finding and retaining skilled workers. He highlighted that for the last three-four years, recruiting qualified staffs has been very hard. This problem is mostly because many young people are going abroad to seek employment and educational opportunities where they can learn/study and earn good amount of money at the same time.

He shared that to find candidates, the company mainly posts job openings notice on social media like LinkedIn and coordinate with colleges and training institute but talent gap is continue. In this case, Laxman blamed our education system. He said that many schools now mainly prepare students to work overseas and act more like agents for foreign colleges rather than helping students develop skills for jobs market of Nepal. He reflected his recent event that brought together schools, students, hotels, and education consultancy. He says, "*In my recent workshop in Sudurpsachhim province, there were schools, students, hotels, and agents together, showing a big focus on international opportunities instead of looking for local opportunities.*"

He shared about this event with frustrating feelings that what our target is as we emphasizing promoting international opportunities rather than preparing and showing domestic opportunities. He added that this is also one of the influencing factors of foreign migration. He highlighted that the issue of staff dropout and

retention emerges as a core challenge for the hotels sector. Some employees have worked for many years, but most of the new employees of entry level stay only about six months, which indicates high turnover.

Laxman explained a big challenge is that most employees entering at entry-level positions have high expectations regarding salary benefits and rapid career progression without having hands-on skills. He further elaborated that employees do not have patience and passion. They want progress so quickly and remain with the organization just to obtain an experience certificate. He said:

*We cannot pay high salary in the beginning because beginner employees do not generate equivalent returns. Although, we comply with government salary standards NPR.20,000/month plus bonuses like a Dashain allowance and performance rewards, but balancing revenue management while providing competitive salary packages is a significant challenge for us.*

Further he added, besides above, organization provide social security and medical coverage. Moreover, the organization has a leave policy follow national Labor Act 2017, including sick, annual leave and maternity leave. However, Laxman criticizes Nepal's labor law requiring an eight-hour workday, saying it's not enough for employees to improve their lives fully and grow economically. He also mentioned that in Nepal, there is a lack of strong work culture and says labor unions, especially in hotels, have become politicized and unhelpful as hotels sector is a 24/7 business. Further, he added that delays in announcement updated minimum wages standard by government minimum, makes difficult to pay staff as per updated wages standard. The updated announcement should be come out on time so that we can revise on time while planning for new fiscal year.

Further, I put query on strategy of his organization for the retention and motivation of the staffs. He shared that to mitigate turnover and promote retention of workforce, organization have a strategy, they proactively prepare second man by providing training other staff members to step into vacant roles when necessary with the aim to continuity of business and motivate internet staff.

In summary, story of Laxman highlights some complex issues in managing human resource in hotels sector in Nepal. It became challenge to retain skilled workers because of easy foreign migration, high expectation of employee even in the beginning, academic priorities for foreign study and employment and some gaps in

the Labor Act. This case story gives valuable insights into the real struggles and adopted strategies by employers to sustain skilled workforce.

### **Outsourcing as a Preferred Staffing Alternative: Story of Ramesh**

I learned about Ramesh's hotels from a classmate of MTVET, batch-2023. I contacted him on phone and explained my research work. After explaining my purpose, Ramesh agreed to meet with me. We finalized the date for 23<sup>rd</sup> March 2025 at around 3:00PM time for the interview. I visited his office in Kathmandu district where he was working at his desk and he told me that today he could manage time for me. Otherwise, he used to be very busy with his work. I thanked him for managing his invaluable time. We talked at around one hour. At first, Ramesh thought I would bring a questionnaire for him to fill out, but I explained that we would just have a conversation instead. I asked for his permission to record our discussion, he was a bit hesitant at first, but after I assured him of confidentiality, he agreed to record the interview. We then discussed in detail and we started conversation on about his experience in the hotels sector.

Ramesh shared that he has more than more than 15 years' experience in hotels sector, now managing workforce of 70 staff including 23% female. Further, I asked about the scenario of workforce in hotels sector. He shared bitter experience of facing with the universal issue of high turnover driven by Nepal's youth migration trends and systemic labor migration challenges. He highlighted that one of his major struggles is hiring and retaining skilled human resources, particularly for entry-level positions. Ramesh added that a recurring pattern among young employees, especially students and recent graduates. Many joins as interns or junior staff for a short time period, while awaiting opportunities to migrate abroad. He added:

*Nowadays, people want to earn more at a young age. After gaining work experience of 6-8 months, they often leave once their visas are granted.*

*During the transition period, while waiting for visa they join jobs as interns and entry level position.*

Ramesh emphasized that this pattern creates a challenge for employers to build a stable and skilled workforce. Ramesh blamed to earlier generations that they set the trend for going abroad, and now the current generation copies that mindsets. The youths come in work with mindset that they are here in work only for few months. They do not see a future in Nepal after study.

On top of that, he added the gap between available jobs and the number of people seeking work. On the one hand, employers are struggling to get skilled labor on the other hand, jobseekers report difficulty finding the work. This shows there is a lack of relevant skills and youths' ambition is oriented more toward migration than long-term career development within Nepal's hospitality sector. He said, *"The people who say they are not getting work are usually not well-trained. They have not learned the necessary skills properly"*.

But, among the four-pillars outlined by the ILO, one of the pillars has stated creation of employment and developing necessary skills through training initiatives. Then, why they only expected highly skilled human resource even in the entry level.

More, he emphasized that generational differences in attitude toward hard work, some new graduates lack passion and are more focused on migration rather than building their careers in Nepal. Additionally, he stressed that academic degree does not always application into practical workplace as they need to learn so many practical things. The newly graduates expect managerial positions straight after graduating, but they find themselves struggling with basic practical tasks due lack of managerial skills and competencies.

In between discussion, he staffs gave him call for SSF work. He took few minutes to talk his staff on phone.

Further, he continued the conversation about the salary expectation plays a significant role. Despite offering total packages for entry-level positions reaching around NPR. 30,000 (including SSF and motivation allowances), many young workers remain unsatisfied, comparing their potential income to salaries abroad. He said, *"Even after working ten years, some staff feel life will not be settled here in Nepal; it's better to go abroad, earn more, and secure their future there."*

Additionally, Ramesh mentioned that many smaller hotels pay even less which are under the government standards, promote the retention problems. Ramesh claimed that his organization complies with labor act standards, but he complained that the Labor Act 2017 is not properly monitored or enforced, and hotels often bypass these requirements, especially regarding salary and benefits.

Moreover, I continued the conversation with question of organizational staff retention strategies. He added, *"For the retention, I talked to staff and motivate them stay longer, but recognizes that for many, migration is non-negotiable. Some have made up their minds to leave Nepal at any cost."*

Ramesh further added that organization tries to ensure gender-sensitive environment. The organization provides drop services for women on incase of late shifts and avoiding night duties.

Ramesh mentioned that his organization pays NPR. 17,300 (as per salary scale of 2080/81) plus additional motivation allowances and SSF as per the government of Nepal's provision. However, many smaller hotels nearby place pay only around NPR. 10,000 to 12,000, which is insufficient for basic living expenses like food and accommodation.

Ramesh highlighted that although it is possible to implement all facilities as per labor act, but there is a lack of effective government monitoring. He further added:

*Many organizations do not fully comply with the labor act. There is lack of proper monitoring, leading to potential exploitation. Weak enforcement of labor laws can create opportunities for employers to exploit workers, such as paying them less than the minimum wage, denying them overtime pay, or exposing them to unsafe working conditions.*

Ramesh blamed that some hotels received permission to operate without proper assessments and hire 10-15 staff members but do not provide basic salaries or benefits as mandated by the government. In such cases, staff turnover is high, but those hotels see turnover as an advantage since they can hire new employees at lower wages. He emphasized that his organization follows all labor standards, SSF so they face no issues; however, many other hotels in the area do not adhere to government standards and SSF. Ramesh mentioned that his organization submit our mandatory labor audit report every year in *Poush masanta* (mid-January). Our main goal is guest satisfaction because positive guest reviews are crucial for our organization's success. He assured that they train their staff to prioritize guests' happiness. For example, if a guest dislikes a certain food item, staff offer alternatives and try to meet their preferences to ensure a positive experience.

Further, I asked him how well aware is he about labor act 2074 and SSF mentioned all provisions. He said that while the labor act itself is good, the trade union system is ineffective in the hotels sector. He said:

*Union involvement often acts like a virus in a computer, disrupting smooth functioning. It negatively affects management and work discipline. Some staffs become politically involved, aim to receive full pay without working the*

*required eight hours, engage in groupism, challenge managers, and ignore organizational rules. They often protected by political parties. This political pressure reduces work efficiency and productivity.*

It seems, Ramesh is not happy with the political influence in workplace.

Regarding the training development opportunities for employees, Ramesh shared that he has a 70 of staffs (including 15 outsourced workers), the experienced department heads are assigned to provide orientation to the staff and time and again mentoring, but there are limited ongoing training opportunities through external and professional trainers.

Nonetheless, he prefers hiring fresh graduates, believing they can better adapt to the hotel's culture and values as they do not have already set mind regarding work culture. So, they easily adjust in organizational culture. He says, *“Fresh, smart employees can learn quickly, and we can groom them for as per organizational value and culture, compared to those already trained by other organizations as they take time to adjust in new environment.”*

In summary, insights, drawn from an in-depth interview, reveal the complexities of retaining, and developing staff in a context where aspirations for foreign employment dominate the mindset of young workers.

### **Market Competition Compromising Decent Work: Story of Arun**

I had contacted to Arun through my colleague. I called him and shared my objective and fixed the meeting on 26<sup>th</sup> March 2025 at around 5:00PM as per his convincement, but at the last hour, due to his busy schedule, he cancelled the meeting and called me for next day on 27<sup>th</sup> March 2025. As per revised schedule, I visited this hotel. He was very interactive and vocal among the all interviewed participants. He shared his experiences and practices openly. He was in informal dress and waiting to meet at lobby. He offered me tea before starting the interview. I started interview with having tea. I started interaction by asking about his journey in the hotels sector for one hour 30 minutes.

He shared he devoted his 30 years to the hotels sector in Nepal. His journey began with a decade of employment at another person's hotels, followed by starting his own hotels. Arun received hotels management training at workplace for two months free of cost, and from the third month he started working as an employee. Arun recalls his early days, there was strong enthusiasm for hotels training where many students were interested to be enrolled. After hearing his experience, I started

conversation on existing workforce status in his organization and how does he see the existing workforce as an employer. Arun shared that he has 24 staffs including 7 females in his hotels. Most of the females are in housekeeping and front desk, and there are males in other departments, including the kitchen. He shared that most of the hiring relies on personal networks. He says:

*I published job vacancy in national paper so many times but, only two applicants applied and now, I stopped to search candidate through that medium. Now, I have hired through two ways; one is from the friend circle, and the next is from my employees as they have friends who want to work. I have not yet coordinated with training institutions. Now, I am thinking of reaching out to different training institutions in the coming days.”*

Arun said that he conducts interviews and seeks verbal commitments, but freshers often lack skills but he also has the same concerns as other interviewed employers about the new employees. Further he says:

*The fresher come to join work and I teach them, they broke glasses and equipment but they leave within six months even after investing significant time in teaching them. In my time, we have dedication and patience but now employees first choice is foreign country they think their life will be settle when they go abroad.*

Further Arun shared that the retention of female is good, but male turnover is high due to foreign migration for the employment. Turnover is highest in the kitchen and restaurant departments, while in housekeeping very few leave the work, possible due to the commitment of female staff. He shared recent example. He further added:

*One of the male staffs joined my hotels with a year commitment, but after 20 days, he said he is leaving the work because he got visa granted. Then, I asked why you had not informed me earlier. Then, employee said that if I would tell you about it, you may not give me job but I needed job to survive till the period.*

Arun faces significant challenges in managing his workforce, primarily due to high turnover and a lack of skilled labor. He pointed to systemic issues to push young to seek opportunities in aboard. He says:

*There is challenge to getting skilled human resources for the hospitality sector, youths are not staying in a country. The reason is their future is not*

*secure in Nepal, unstable political system/government and Government policies are not supportive for business person.*

He emphasized the issue of unhealthy competition which complicates matters. He adds, *“Some hotels sell rooms range from NPR. 500-1000/person per night and other sells in NPR. 5000. This type of unhealthy competition hinders providing good salaries to staff as if do not have good sells we cannot provide fair income.”*

Arun underlined that it is making hard for smaller hotels to sustain fair salaries for their staffs and offer competitive pay due to low sells and a challenging economic environment. Further he highlighted the complex tax system. There is burden of multiple layers of taxation (local to federal). He suggests that tax should be proportionate to capital investment. The government should mandate minimum staff levels based on size of hotels.

He pointed out that current Labor Act 2074, such as the fixed eight-hour workday, do not fit the realities of small hotels. He advocated for an hourly pay system. In other countries, we can work more than 8 hours, but in Nepal, we cannot work more than 8 hours. The payment should be on an hourly basis which would encourage to people to work hard to earn more, possibly slow foreign migration for employment.

Further Arun mentioned that Nepal’s labor act is impractical. In the context of Nepal, the law is not favorable. The law says give certain salary and different facilities but due to lack of good sells and unhealthy competition.

Further, he also highlighted stronger SSF requirements, and tax reform (capital-based taxation), which he believes would support fair pay, reduce unhealthy competition, and incentivize better working conditions. He said, *“What I suggest to the government is to make a system that if I open a 5 corers company what should be tax I need to pay government.”*

Arun feels Nepal’s labor laws are hard to implement on reality, they guarantee salaries and benefits, but poor sells and government indifference make compliance difficult.

Though, they have dialogue with government through the Hotels Association of Nepal (HAN), Arun has engaged in policy dialogues, but feels marginalized. He added, *“The big hotels influenced the government to be beneficial for them rather than for small hotels. The voices of small hotels are less heard.”*

He mentioned that there is no security for business in our country. If I loss, my whole generation including next generation will be drawn. After discussing the challenges, I asked question on organizational strategy for motivation and retention of staff. Arun shared that he has conversation with staff to know the reason of leaving work and also offer some opportunities. He said:

*I sit with employees, ask what the reason are, and try to convince them to stay longer. I also offer innovative incentives. I have also practice to give 5-7% share of the hotels, but needs commitment to stay for 5-7 years in organization which helps to increase ownership. However, I found that youths do not have a mindset to stay, they do not want to take this opportunity.*

Regarding the training and development opportunities, Arun mentioned that he has not practiced giving training from an outsider or in a training venue, but the head of department who continuously teaches their juniors in the workplace. So, training is more learning by doing at workplace.

Further, I kept concern about staff safety and security, Arun prioritized staff security, particularly for female employees. He added, *“Considering the women’s security, we do not have female staff in the night time duty. We only provide them shift for day time.”*

Further, he added that he has set up CCTV everywhere, and told staff that if anything happens, report to the seniors or him directly. It seems, the hotel has practiced informal system of reporting rather than formal. He said, *“For the security, I have enrolled my staff in SSF, but only for those who have been working for a long time.”*

It means the short-term staffs are not getting benefits, however the SSF is mandatory to all regardless of contract type.

Furthermore, he added that safety measures are basic, with fire extinguishers in place. He said:

*I have a fire extinguisher in the kitchen and other places, but I do have not given proper training to my staff regarding any safety things besides fire extinguishers at place, especially to the kitchen person are oriented on that.*

For the job security of the staff, I asked him question about contract and leave provision. He shared that he keeps staff on verbal agreements rather than written contracts. There’s no formal leave policy in place. He says, *“I encourage staff to*

*coordinate among themselves, supporting each other to manage workloads and take turns for leave.”*

They can take 3-4 days off per month, in total about 12 days annually, including festival holidays. Extra leave is provided for family and personal work as per need.

Moreover, he shared his amazing adaptation story of Covid-19 pandemic period. COVID was a very hard time for everybody and hotels employers as well because during a lockdown, everything was closed, and there was no business. Facing an NPR. 10 million annual rent, Arun and his shareholders considered closing the business but would be on the road if the situation would be the same for a long time. After discussion among shareholders, they brought ideas. He added:

*We changed our business modality in the second wave of COVID-19. We made our hotel's one building quarantine and one building isolation center. To retain staff, we requested staff to stay at a hotel by increasing their salary three times and did their insurance with high safety, managed four nurses and one doctor.*

He mentioned that their strategy paid off. Even during COVID-19, they ran our business and earned better than normal situation with following government's directives and hygiene standard.

In summary, the story of Arun provides a view and experience into the realities of hotels sector in Nepal. It highlights the challenges of skill shortage due to high turnover due to foreign migration and lack of skilled human resource, informal recruitment process, lack of retention strategies, insecurity in business and hardship on small business sustainability, employer's perspective is more from benefit oriented as he mentioned so many times that there is less sell thus, could not provide fair income and also found not all staffs are enrolled in SSF.

Overall, the version of all five employers of hotels in Kathmandu Valley, Dipendra, Brijesh, Laxman, Ramesh and Arun show common challenges to provide decent work. All of them faced high turnover, particularly in entry level staff due to migration for study and employment in foreign country. Another challenge is practical skills gaps, but high expectation of salary and benefits, government policies including rigid eight-hour workdays and uniform taxation are seen impractical. Further Arun and Laxman emphasized for hourly pay system which is beneficial for employees and employers both. After discussion with employers, I explored

government pay system and found government has announced hourly wages scale. As per current minimum wages standard, the hourly wage is 101 full-time and 107 for part-time (Ministry of Labor Employment and Social Security [MoLESS], 2025). Due to weak enforcement of law, some employers have not followed the compliances. According to Ramesh observed that many hotels avoid labor standards. Likewise, According to Dipendra, there is low enrollment in SFF due to foreign migration in short span of time and staff doubt. Further, he emphasized that retention of female is higher but safety remains main concerns for female which limited their role and development. The retention strategy of staff is found vary in all five hotels through providing motivation, internal promotion and providing shares of hotels. For the recruitment, found announcement of vacancy notice done through social medias as many youths use social which is easily accessible. The recruitment process seems more informal, some from social media, employer's and employee's circle, followed by formal and informal interview. The both kind of employers found from Arun's verbal agreement to Brijesh and Laxman's organizations following labor standards. These stories highlight systemic barriers, organizational effort and willingness and strategy to provide decent work principles balancing organization's operational needs in hotels sector in Kathmandu Valley.

## CHAPTER V

### FINDINGS AND DISCUSSION

This chapter highlights the key findings derived from the field study. The study intended to assess the employer's understanding and practice on decent work from Kathmandu Valley. Here, I detailed out findings below based on in-depth interview with employer within Kathmandu Valley.

#### **Reality of Practice of Decent Work at Hotels in Kathmandu**

The findings revealed that employers generally understand decent work as a fundamental concept that includes fair income to employee, a positive working environment, and the recognition of employee value are core for employee.

The employers highlighted that these elements contribute in job satisfaction and wellbeing of employees. The employers described that fair income is important to reward their contribution, whereas positive working environment develop respect, growth and good coordination among the team. Another crucial aspect of decent work is recognizing and valuing employees which emphasized recognition of capacity and contribution along with providing opportunities for training and development for progression of their career.

Employers recognize that decent work is essential for attracting and retaining employees decent work is viewed as essential for fostering employee growth, enhancing job satisfaction, and promoting long-term retention within the organization. Employers prioritized integrity is also an important component of decent work, highlighting the significance of ethical conducts from the both employers and staff. The integrity from both side help to build trust and develop healthy culture of organization, promoting accountability and set the standard for the employees, which essential to develop enabling environment. Employers Dipendra, Lalitpur says;

*Employers are the great assets of the organization. As employers cannot run the entire organization alone without contribution, integrity and accountability. Employees play a crucial role for the organization's success. Organization progress depends on the dedication, hard work, commitment support and professionalism of employees otherwise reputation can be ruined. In hospitality industry, even single employees 'demonstrated behavior and values does matter. If even single employee fails to treat guests with respect*

*and care, it affects the business. Therefore, employees are the main pillars for the organization.*

It shows that to get better work from employees, motivational tools such as incentives, bonuses, and development opportunities play vital role. The retreat, team building work, tours package and other recreational activities provide employees with relaxation, develop bonds with other colleagues. The good understanding among the employers found that government has been disseminating information and raising from the employer's network so that federal level employers disseminate information to their district level chapters. Likewise, government and other non-governmental organizations such as ILO have conduct different programs to raise awareness and promote decent work in Nepal. The Government of Nepal and ILO jointly run Decent Work Country Programme for Nepal (2023-2027) in collaboration with organization of employers and workers. Additionally, the recent directive of government made mandatory for SSF while doing registration of company by employers.

Overall, the findings the show that employers demonstrated good understanding the concept of decent work. The findings highlight that employers also acknowledge the critical role of employees for growth and sustainability of their business.

### **High Living Cost Versus Low Wages**

Employers Dipendra, Brijesh, Laxman, Ramesh and Arun claimed that they are providing salary as per government salary standard. However, employers Laxman and Ramesh did agree that the minimum salary standard is not enough as the living cost is high in Kathmandu.

Gautam (2004) highlighted in this study that the wages earned by workers very below than minimum needed wages to sustain their family. Due to which, the living standard of the family is decreasing rather than increasing. As government of Nepal decided minimum wage NPR. 19,550 in (Mid-July) of 2025 but notable thing is that does this wage really support to survive employee in city like Kathmandu Valley though these employers claimed that they are providing salary above minimum standard of government. Further, Ramesh and Arun highlighted that many hotels give very low payment which event did not meet the minimum wages standard so how could employee can survive here in Kathmandu thus, compelled to migrate foreign country for better opportunities.

The purchasing power of differs in different area which demands different salary and benefits. The purchasing power depends on the cost of goods and services in specific area. Hence, government and employers need to take into consideration while developing salary and benefit structure. The salary of staff should be adjusted based on the living cost which is vary from one area to another area such as Kathmandu and Kailali. The salary should be adjusted, ensuring the workers can fulfill basic needs food, accommodation and transportation. It means, the localized approach should be considered for determination of wages in different part of Nepal. According to my working experience with employees of hotels, the common pattern of is that the employees do not get contract and salary as per minimum wages standard of Government of Nepal. Employers and government need to take consideration when developing salary and benefits strategies to ensure that their employees are able to maintain a decent standard of living.

### **More than Eight Hours Duty**

Employers claimed they ensured eight hours duty, but it found different in above managerial level. They do not have fix hour duty as sometimes, they have to work more than eight hours but employers Brijesh, Ramesh and Laxman claimed that they provide overtime payment to staffs specially who are below managerial level. In between interview, I noticed that some staffs came to ask permission to leave for home at around 5:00 PM, but employers often expected employees to put in extra time as a support for the organization. I heard saying that it takes only few minutes, you can go after completing additional work, but staffs were reluctant, which feels unfair and demotivating. It shows that employers taking for granted and ignoring the decent work standards though they are aware on policies and laws. It is also highlighted by Labor Audit Report, 2024 that 50.2% out of surveyed company engaged employee more than eight hours in work. As per my working experience with both employers and employees of hotels, the working hours is more than eight and the payment are not as per scale of Government of Nepal and it is also found employees are not provided any written form of contract.

However, employers emphasized for flexible working hours with hourly basis payment system. They claimed that employees can make better progress financially by allowing them to work according to their needs. Employer Laxman *said*:

*Eight hours a day is often not enough to achieve meaningful progress in life. In Nepal, many people spend their limited earnings on non-productive*

*expenses outside of work as they have sufficient after work. For this reason, working hours should be more flexible to accommodate personal growth and responsibilities. Additionally, there is a need to improve the work culture and mindset in Nepal for productivity and development.*

Further, employers highlighted that requirement of revision of labor laws to allow for hourly-based payment systems, promoting flexibility and increased earnings. Revising labor laws to allow for hourly-based payment systems can provide greater flexibility for both employers and employees. However, the statement of employer's seems like an excuse because government law does not restricts paying more than minimum wages. This could also potentially decrease foreign migration by making local employment more attractive. However, while thinking hourly basis payment system, need to think about balance of work and rest. In the context of Nepal, need to think that minimum hourly basis wage NPR. 107 (MoLESS, 2025) is really sufficient. Furthermore, 77.2% staffs hired through outsource companies are not getting minimum wage and overtime payment. It indicates that employees are getting exploited from the outsource companies (Labor Audit Report, 2024).

It shows that the real scenario of hotels regarding actual practice of decent work but the question is why it is happening. The scenario is the reflection of lack of proper monitoring and system at place to implement decent work standards.

Regarding the leave provision, employers Dipendra, Brijesh, Laxman, Ramesh and Arun accepted it is difficult to give leave like another sector because hotels sector should be open for 24/7 business therefore it is difficult to shutdown business to send staff on leave. However, they claimed that they provide leave as per Government of Nepal calendar.

### **Informal Recruitment System**

I also observed that organizations rely on hiring through informal channel. Dipendra, Ramesh, Brijesh, Laxman and Arun shared, recruitment relies heavily on advertisements on social media through posting notice on their organization's social media such as Facebook and LinkedIn. Additionally, Ramesh, Brijesh, Laxman do coordination with technical institutions. All five shared that they conduct formal interview and written agreement with offered salary, benefits and terms and condition. Further, it is also found that Dipendra, Laxman and Arun have also used own employer's network and currently working staffs' network to identify skilled human resource. Employer Arun highlighted that employer's and employee network is an

easy way to identify the employees without hassle as nobody apply through formal way. Arun shared his experience about giving notice of vacancy on National level daily newspaper but only two had applied for the job. The interviewed all five-participants considered recruitment is hassle due to high turnover in short time period.

Additionally, Dipendra, Ramesh, Brijesh, Laxman and Arun keep staffs from third-party consultancy. It shows that outsourcing practice reduced the accountability toward the employees because they can easily replace consultancy's staff if they do not need, instead of investing in their own workforce. It is directly link with decent work. If are direct staffs of the organization, staffs should get all the benefits and they are the liability of the organization. The finding also indicates that reason behind employers' interest in hourly basis working system instead of eight hour per day working system which cut down the cost and saves the budget of the organization. The employers can call employees only whenever there is need which is seen beneficial from the side of employers but question is does it beneficial for employee as well and what about overall wellbeing of the employees.

### **Safety and Security More from Guest's Side**

All five employers; Dipendra, Brijesh, Laxman, Ramesh and Arun claimed that they are well-aware about security of the staff specially, female staff. Dipendra, Brijesh, Laxman, and Ramesh mentioned that they have a vehicle arrangement facility for staff specially, female staff to drop off during the evening duty. Moreover, Arun mentioned that he does not assign night duty to female considering safety, and CCTVs are installed in place. No formal policy exists for reporting abuse or harassment at organization expect in Brijesh and Laxman's organization.

All five employers; Dipendra, Brijesh, Laxman, Ramesh and Arun mentioned about install fire extinguisher at place Dipendra, Brijesh, Laxman, Ramesh informed to staff about use of fire extinguisher specially kitchen staff. It is found mock drills was conducted specially in star hotels and in non-star hotels, only orientation and demonstration were provided to staff. It is found more focus on fire safety but found there is lack of preparedness considering different types of hazards and possible disaster. Overall, comprehensive safety trainings with regular updated information are found insufficient in the hotels. Further, safety has been seen prioritizing guest security over staff protection, which indicates a comprehensive safety protocol needed at hotels that equally protection guests and employees.

Labor Audit Report (2024) highlighted that 44.4% medical insurance and 48.8% have done accidental insurance out of them who have done labor audit. It shows that large portion employers still have not provided the medical and accidental insurance which shows they have not prioritized it as an important provision. As per my experience found limited employers provide all these facilities provisioned by Labor Act 2017 and Contribution- based Social Security Act 2018.

Moreover, Prajapati et al. (2023) emphasized in his study that, worker is unprotected from communicable disease, hazard, psychosocial risk due to lack of following proper measures of safety, insufficient access to clean drinking water, child labor and high risk of injury. It shows there is lack of application of occupational safety and health which can bring high to risk to worker at workplace.

Interestingly, none of employers stated about how housekeeping department ensures the safety of its staff while cleaning the rooms as it exposed possible disease risk. The housekeeping department is found low paid but high-risk job. This reveals a considerable gap in staff safety practices, and highlights the need for tailored safety training considering different kind of hazard and risk. Similarly, one of study conducted in India in housekeeping depart reveals that implementation of Occupation Safety and Health (OSH) found poor and also found that difference in application of OS&H in different hotels of India based on category of star hotels (Ambardar & Raheja, 2017).

Regarding the security of staff, Dipendra, Brijesh, Laxman, Ramesh claimed that 100% enrollment in SSF whereas Arun mentioned that only long-term staffs are enrolled saying that short term staffs do not show interest. If employees are not enrolled, their wages and facilities are also questionable though they claimed that they are providing as per minimum standard. Social Security Fund Nepal (2024) report mentioned that total 19210 employers are enlisted in SSF across the nation. Total 1,491,540 contributors are enrolled in SSF from formal, informal and foreign employment. Despite of this enrollment status, a large number of companies and worker specially from informal industries and small business/enterprise are unenrolled.

As of 2025, Nepal has nearly 350,000 registered companies according to the Office of the Company Registrar. This includes generally private limited companies, public limited companies, non-profit organizations, and foreign companies. Along with, there are also nearly 10,000 registered industries operating in the country. This

figure gives an approximate sense of the formal business establishments in Nepal. The current status of enrollment of employers and contributors in SSF and the data of registered company in Office of Company Register showed more companies are yet to be enrolled in SSF. Due to which employees are deprived receiving facilities as per government's standards and act. Enrollment of all employees in SSF would help to promote decent work at workplace directly and indirectly.

### **Lack of Inclusivity**

The findings expose mix understanding of employers regarding gender equality in workplace. They all agree that women are sincere in work and also the retention rate of women is higher than male but they shared that social norms pose challenges for women in the workplace, especially concerning night duties and family expectation supporting in household chores and societal perceptions regarding women's role and limitation. The society have a culture expectation from women that women should come home early which makes difficult to women to work late night and travel for business. Women also do not want till late night due to family restriction and society's pressure. It indicates that perception of society creates barriers for advancement of women in the workplace. Adhikari et al. (2024) highlighted in this study that there is a disparity in wage among men and women workers even working in the same level in the hotels sector. The salary is lower than men, less women in decision making role, workplace harassment and social norms are main barriers for women to grow in their career.

Employers accepted that some male staff members do not respect or follow the suggestion of female supervisors due to male ego, which creates demotivates female at workplace. Dipendra shared the experience, happened in this organization.

Dipendra says:

*One of the male staffs' supervisor was female but that male staff always tried to create difficulties for his supervisor to make her failure by not following instruction and not completing given task on time. Later, I talked to him and recommended to follow the instruction of his supervisor.*

It shows that there is gender-biased discrimination at workplace not only from employers but also from co-worker, senior and junior male members. Due to gender biased and stereotypes, male employee questions to the authority and competence of female employee and specially supervisor, underestimating the leadership of female.

It indicates that the priority should be given to sensitize and enforce organizational policy at workplace to make supportive environment for female employees.

The employers of hotels have understood about making inclusive and enabling workplace for all such as policies at place to safeguard employees from any kind of abuse, exploitation and violence and promote work life balance. But, employers showed difficulties for providing employment to more female as organization need to be more conscious regarding women's safety and security.

Employer Brijesh said, *"We are compelled to hire female staff due to organizational policy but it is challenging to accommodate them specially in the hotels sector work, considering their safety."*

This statement shows that in spite of organization's efforts to meet gender inclusion threshold, that there is a biasness in the mind and behavior. It affects to make inclusive workplace. It shows employers specially and the person who work in senior role need comprehensive orientation on gender equality. Furthermore, a bias mindset of employer became obstacles to meet gender diversity thresholds. Though government policy mentioned about providing gender friendly environment to promote female engagement, but attitudes and persists biases, affecting to perceive and integrate female employees at workforce specially person with disability and LGBTIQ+. It shows that they need comprehensive orientation and accessible environment to gender friendly workplace.

This attitude is prevalent in low-skill sectors, where workers are seen as replaceable, reducing the moral or practical motivation to improve conditions such as housekeeping department where most of the women are worker but the less payment found in this department. Similarly, kitchen department, there are male and the salary is high in that department. Kandel (2025) highlighted similar finding in her study that women frequently face lower earnings because of systemic biases, lack of salary transparency, and fewer negotiation opportunities. The men are more likely to secure higher salaries even from the starting with promotion in short time period. But in the case of female, there is gaps in their career growth due to some factors such as limited access to leadership, meaningful participation in decision making and taking break in career to give a birth of baby.

Overall, 67.5% women experience disparity in salary whether it is formal or informal sector. Additionally, 75% women faced discrimination in benefits like bonus, overtime payment and other facilities (Kandel, 2025).

It shows that there is discrepancy in payment among male and female employees in the workplace for the same nature of work. Most of the leadership roles specially at the senior level or in the role of department head are dominant by male. Many employers still hesitate to open doors for female employees, showing social and cultural barriers or safety concerns as excuses. I also noticed that when it comes to certain types of work like cleaning are often assumed to be women's department, simply because they do it better but these are found low paying department.

One important thing I noticed that during my interaction with employers, I did not find person with disability employees by employers which points the lack of inclusion and accessibility in the organization and law.

Thorough review of Labor Act 2017 was done and found act addressed regarding inclusivity by mentioning eliminating gender, caste, ethnicity and other social categories wise discrimination. The act also mandated equal pay for equal work regarding less of gender, and it has also mentioned about provision of maternity leave and protection during pregnancy. However, remains gaps in the effective implementation and specific protections for marginalized group such as LGBTIQ+, persons with disability and women in informal sectors as act generally applies in formal employment.

The Labor Act has not clearly mentioned about the inclusion from the intersectionality aspect expect talked about female gender. Therefore, continuous efforts are needed to ensure that gender and social inclusion specially from intersectionality aspect to practice for all workers (both formal and informal) across the Nepal.

In conclusion the inability to provide decent work in Nepal's small hotels sector stems from a combination of low revenue due to unhealthy competition, inequitable taxation, and high operational costs. The high turnover, youth migration, unstable political situation increased skilled labor shortage. The informal recruitment process and verbal contract, lack of training and benefits weaken the work quality. The lack of real efforts with strategy to reduce employee turnover from employers' side. They did not find offering better opportunities or improving facilities to keep employee motivated and committed.

Although, employers feel proud in offering salary following government's minimum wages standards, but in reality, the wages hardly cover basic living cost of Kathmandu. There is seen gap between following minimum standards and valuing

their employees. All these factors show the pictures of workplace specially of hotels sector in Kathmandu Valley. It indicates that still have to go through long way specially for diversity and inclusion through inclusive law.

### **Unfavorable Work Environment**

All employers accepted that creating a positive work environment is crucial for retaining and job satisfaction of employees. Gupta and Singh (2023) included in their study that satisfied and motivated employees demonstrate commitment, loyalty and great productivity. If employees feel more comfortable and connected with their work and get proper support from organization, they may stay longer in the organization which reduces turnover rate. The continuity of work allows staffs to work more effectively, develop their skills and also enhance the overall performance of organization. It highlights that positive working environment makes staffs feel respected and valued. This includes offering them opportunities for development and growth, recognizing their hard work and contribution and fearless work environment promote teamwork and collaboration.

During the discussion with employers, all employers emphasized the working environment is one of the most important aspects and claimed that they have provided the enabling environment. Employer, Brijesh says:

*The new employees cannot handle pressure. In hotels sector, the employees should have capacity to handle pressure in a well manner. They need to have a good manager or supervisor who can guide and support them properly to deal with pressure at workplace.*

Though employers accepted importance of making positive environment and claimed that providing such environment but they are frustrated with high turnover within 6-9 months.

Therefore, the working environment should be enabling for employees specially, new employees to learn and grow. The research found that employee retention is strongly and positively influenced by factors such as training, career development, rewards and recognition, communication, work-life balance, and job satisfaction. Retaining employees not only improves individual job fulfillment but also enhances overall organizational productivity and performance (Dahiya & Nandal, 2021). However, employers Laxman blamed that the new employees from new generation do not have patience and capacity to handle pressure of the work. They claimed that hotels sector is a type of sector where lots of pressure at work and

employee may have to work more than eight hours. It shows that there is work pressure but the payment is not as per expectation which demotivates staffs, leading to turnover. Further, Brijesh and Laxman added that they have a system to promote staff in senior level through internal process which is one of the motivations factors found in the organization. Employer Dipendra emphasized that he has promoted the long serving staffs which is one of the motivation factors and also provided tour and refreshment package and drop off vehicle facility to female staff during the evening duty.

Also, employers shared about the removing service charge, demotivated the staff because it impacted on their earnings. Service charge was one of the significant sources of income for employee in the hotels sector but after removing it, their motivation is impacted. However, employer Brijesh and Laxman mentioned that they have done salary revision of staff to compensate it.

Employer Dipendra, Ramesh and Arun have not mentioned about salary adjustment after termination of service charge which shows that significant reduction in employee earnings. It shows that other employers also need to do salary revision to compensate for loss. It indicates that only providing positive environment does not retain the employees, the money does matter the most. However, Hsiao & Lin (2018) highlighted in their study that working environment does not have a direct positive effect on employee's job expertise and job satisfaction.

Therefore, only enhancing the working environment along may not significantly improve satisfaction of employees. The organization must see it from other aspects, for example salary, benefits and compensations.

### **Challenges for Employers to Provide Decent Work**

During the interview, employers discussed the different challenges they faced to implement decent work concept into practice such as delay in communication from government, human resource shortage and high turnover, lack of practical skills and weak law enforcement. The details are interpreted in follows.

#### **Delay in Wage Increment Decision Making and Circulation**

Government of Nepal revise minimum wages in every two years in Nepal as per section 107 of Labor Act, 2017. The employers expressed that Government of Nepal delays in making decision regarding minimum salary revision, which affects employers to adjust revised salary scale as per Government's standards. It makes difficult for employers for compensation strategies and planning of new budget.

Employer Laxman said, *“Government should timely make decision and circulate to the employers regarding salary updates because due to delay, employers faced difficulties to compensate wages as per updated standards as could not plan on time.”*

After hearing the dissatisfaction of employers regarding delay in wages revision by Government of Nepal, I reviewed the notice of government of year 2022 (2079 B.S.) and 2023 (2080 B.S.). In 2022, it is found that government had announced the salary increment notice in Mid-August (26th Shrawan 2079). Similarly, in 2023 (2080/81 B.S.), the announcement came in early October (on 15th Ashoj) and in 2024 (2081/82 B.S.), the decision was made in mid-July (on 1st Shrawan). It shows that salary increment made on time in 2081/82. Though, the delay in salary increment makes staff dissatisfied as they feel that their salary is not in line with inflation and raising living cost. However, regarding the increment of salary, Section 36 of Labor Act, 2017 clearly mentioned that any worker who has completed one year of service is eligible for annual salary increment. The increment should be at least half a day’s basic salary which enforces growth of basic salary from the baseline.

### **Skilled Human Resource Shortage and High Turnover**

While doing interaction with employers, found that there is high turnover of staffs, entry level and mid-level position particularly in entry level for better career development opportunity and salaries. They sustain between 6 -9 months only in entry level.

The attraction of higher wages and improved living standards in other countries motivates many entry-level employees to seek employment overseas. As a result, the employers always face hassle for new recruitment. Shrestha (2022) highlighted in his study that Nepalese hotels industry faces a shortage of skilled blue-collar workers due to limited growth opportunities and issues in operational and management structures. Therefore, it is challenging to retain qualified and skilled human resources in hotels industry which leads many workers to seek better employment opportunities in abroad.

Moreover, employer Dipendra shows the preference for hiring fresh graduates instead of skilled and experiences specially in the entry level due to retention issue. He believes that after being trained, employees start seeking better opportunity and expect high salary which lead to turnover as a result increased the recruitment hassle and cost. However, there is high turnover in the entry level. During interaction with

Dipendra, Brijesh, Laxman, Ramesh, and Arun, they stressed high turnover in entry level. This highlights a significant challenge for employers in balancing the need for skilled labor with maintaining a stable workforce.

The study reveals that compensation and rewards, career growth, helps for retention of entry level employees whereas work life balance and employer's branding are strong retention strategy for senior level staffs (Sthapit & Shrestha, 2018). It highlights the retention strategies for level staffs are good salary, benefits, and career growth opportunities which need to understand by hotels employers for retention of young talent in the organization.

Further, all employers expressed dissatisfaction with the current workforce. They said that this generation's employee's do not have patience as they seek high earning from the beginning and expects higher position in a short time period and also, they cannot work under pressure.

Employers emphasized about the recruitment of staffs that after publishing notices in newspapers, got few applications, making it an ineffective recruitment method. The employers shared that they reach out to training institutions, friends circle, business partner and employee's friends circle, social media, outsource companies to source potential employees through more easy process. They are confirmed that employees could not stay for a long time and it is not worth to follow whole long process, waste of time, money and effort to recruit formal process. But, there is a high turnover rate among new recruits presents a significant challenge for the hotels, impacting productivity and increasing recruitment costs. It shows that high turnover leads them to follow above mentioned recruitment process.

It shows that the employers primarily depend on the informal hiring practices such as through friend circles and employee's recommendation. As this method may be quick and easy but, it can limit the opportunities to new employees and high chance of biases and exploitation. Further employers agreed that main push factors for high turnover are low earning, lack of job satisfaction and limited opportunities to grow in career. Rijal (2022) highlighted in several influencing factors such as retention of employees, the leadership quality and style, job autonomy, motivational levels, work involvement, performance management, participation in decision making, opportunity for capacity building and career growth, work life balance, organizational culture, way of communication, trade union, agreement of employers and recruitment through employment agencies and salary benefits package. It shows

that working environment, good salary and benefits and valuing to employees are very important to reduce the turnover of the employees.

Employers revealed the reason for not being able to pay like foreign countries due to low revenue, unhealthy competition and less output from the beginners. Employers Dipendra, Ramesh and Arun claimed that due to low revenue made it difficult for employers to provide adequate salaries and benefits.

However, the employers claimed that they are providing salary as per Nepal Government's salary structure. Further, they expressed dissatisfaction that after gaining some work experience and skills, employees start seeking better opportunities elsewhere. As they claimed that they are providing decent work, however at the same time accepted that the reason of most of the employees' turnover is due to lack of fair income, a positive work environment, and valuing employees. Employers are well aware about that decent work is not just about providing a job, but about creating a work environment. This includes paying employees a fair wage, providing them with opportunities for growth and development, and treating them with respect and dignity. However, the discussion with employers stated partial implementation of labor policies and act of Government of Nepal. The staff turnover seems very high in hotels industry showing the reason for exploring better opportunity in broad. The employers' response give sense that providing decent work to employee as expenses or not assets. Therefore, it seems that employers do not put much effort to sustain them at work.

### **Lack of Practical Skills and Performance**

The employers claimed that they have to invest in new employee as they do not acquire practical skills due to which they cannot get productive work from them.

Employer Laxman said, *"We cannot give high salary in the entry positions because beginner employees do not generate equivalent returns and also they damage assets during learning phase which is loss for us."*

It shows, lack of necessary hands on skills and insufficient training lead to frustration among the senior staff and supervisor who are assigned to mentorship to new staff.

On contrary, the study by Shrestha (2020) highlighted that generally, entry-level salaries in Nepal's hospitality industry are low, with no clear differentiation based on qualifications. Whether an employee holds a bachelor's degree or specialized training, their starting pay is nearly the same. But this study indicates the qualifications is not valued in the entry level.

Employer, Brijesh says:

*The hotels sector job also demands physical work such as standing for long time, and effectively interaction with different kind of guest including difficult guest so, employees found struggle to be adapted in this environment. This kind of skills gap affects the overall quality of service and satisfaction of guest.*

It seems the real work situation is different than academic study. Therefore, it seems employee should be mentally and physically prepared with work readiness skills. As skills gaps seems significant which affecting them receiving decent work. Thus, it is necessary to address these skills gaps through improving quality of education and training program aligning with real need of labor market with exposure to industry through internship, apprenticeships, and work-based learning modality. Becker 1964; Schultz 1961; Mincer (1974) emphasized that the workers productivity and wages are determined by their stock of education, skills and training. As employers Dipendra, Ramesh and Arun mentioned that they cannot provide formal training due to lack of budget in training institutions for capacity building of staffs.

Regarding the skills, out of four pillars highlighted by ILO, one is about creation of employment and developing necessary skills. So, why is there a high expectation from staff to be highly skilled even at entry level. It seems, it is also the responsibility of organization for development of employees. The hotels can build a more skilled and knowledgeable workforce by investing in formalized training programs, that is better able to meet the demands of the modern hospitality industry. The hospitality should consider it part of their responsibility.

### **Demand for Strong Regulatory Enforcement**

There is unhealthy competition in the hotels industry in Kathmandu Valley due to which employers could not provide payment more than government salary standards. Employer Arun explains that hotels paying lower wages negatively impact their business because such hotels offer lower prices for rooms, which ultimately harms the revenue and competitiveness of other hotels adhering to fair wage practices. He emphasizes that the government must enforce proper monitoring, ensuring that all employees are enrolled in the Social Security Fund (SSF). Only then, can it be verified that employers are complying with the government's standards regarding employee payments and benefits. Employer Ramesh said:

*I have seen that many hotels hire staffs in a very low salary and they make them work in verbal contract. Also, they do not want to sustain them as they*

*need to give better after they get experienced. The monitoring should be done properly and need to take disciplinary action accordingly. Otherwise, employees get exploited from this kind of employers.*

It shows that hotels explored unskilled worker rather than skilled and experienced so that they can make them work in cheaper salary. Further, all employers suggested for proper enforcement of law to promote decent work in hotels sector. Employer Ramesh said:

*There is lack of proper monitoring from government, which can lead to potential exploitation of employees. The weak implementation of law can provide opportunities for employers to exploit their workers such as paying them less than minimum wages, not paying overtime, not following occupational and health safety standards.*

This indicates that there is lack of proper monitoring of decent work status from government. Further employer Dipendra added that regular labor audits should be strictly applied to ensure that employers are complying with labor laws and protecting the rights of their workers. Though employers did accept that they are adhering government salary structure but at the same time they highlighted that other hotels are not providing salary and benefit accordingly. Labor Audit Report, 2024 (2080 B.S) highlights that the companies who does not meet minimum standard rose to 29% from 21.7%. It seems that the percentage should be reduced but it seems increasing. These findings indicate the need of in-depth study and proactive measures to ensure implementation of government's act and directives. The result shows lacking in proper implement of law. Therefore, regular labor audits should be strictly applied to ensure that employers are complying with labor laws to make consistency in benefits standard and protecting the rights of their workers. These practices are often difficult to detect and require proactive measures to ensure equal pay for equal work.

Furthermore, employers claimed that all employee members are provided written contracts with details; salary, benefits and bonus etc. However, they revealed that that there is no provision of overtime payment specially the staff above from managerial level. The employee often needs to work more than eight hours due to nature of the job as they cannot leave duty during peak time such as guest check-ins. In spite of this, employers mentioned that they arrange transportation to ensure staff safety, particularly for female employees during evening shift. It shows the breach of

law as the section 28 of Labor Act, 2017, emphasized working hours limits to eight hours a day and 48 hours in a week. Besides, that employers prohibited from compelling employee to work more than stated working hours in act. However, Labor Audit Report (2024) reveals 50.2% are engaged in work for more than eight hour a day.

Additionally, Laxman highlighted that the hotel provides service to both national and international guests, therefore, it is necessary to operation business throughout the year even during festival time. Further, Arun expressed concern that providing leave often would make challenging to operate business as hotels business must remain open 365 days a year. While interacting with employers, it is found that only few employees received overtime pay when they have assigned overtime duty. Employer Laxman said, *“Hotels work is unpredictable and not possible to limit in eight hours schedule.”*

All these responses from employers revealed gaps in practice of decent work principles in hotels industry in Kathmandu Valley. The evidence highlights ongoing struggle to provide fair income, safe and equitable working conditions which indicates lack of implementation of decent work in the hotels sector. Hence, the effective implementation of law and having meaningful dialogue among employers and government is crucial to address the issues and promote decent workplace.

These findings are aligned with the theoretical lens of Human Capital Theory. Investment in human capital such as training and opportunities for growth, fair wage, safe working conditions leads to high productivity at work and retention. It highlights the investment in worker knowledge, skills, and overall wellbeing increase their productivity. Wuttaphan (2017) explained in his study that human resource is the most invaluable capital for the organization. Investment in employee’s knowledge, skills, and wellbeing improve the productivity. The theory stressed that better investment in salary growth, career progression, recognition, safe working environment supports for motivation and development of the employees. Conversely, the findings of my study also showed that underinvestment in employees’ wages and benefits leads to high turnover. The findings closely aligned with the HCT, revealing systemic underinvestment in employees continue exploitation cycle, labor migration and instability of human resource in hotels sector. In the findings of this study, employers claimed that they adhere to government minimum standard but which is insufficient against Kathmandu’s high living cost, compelling employees to migrate

in search of better opportunities. HCT discusses health as healthier worker are more productive. The findings of my study revealed that safety protocols prioritizing guests over staff and all five employers have fire extinguisher at placed and practice mock drill of fire no other kind of hazard and disasters. Similarly, Rosen (1989) highlighted that poor wage and working conditions fail to keep worker productive and workers explore better opportunities in another place. This shows the findings of my thesis that turnover is not due to lack of commitment but lack of fair wages and opportunities. The findings of my research highlighted the high turnover in short time period to explore better opportunities, skill shortage and labor migration in the hospitality sector of Nepal as a result of insufficient investment in wages, training, safety, development and growth opportunities in workers. Meaningful investment in employees can improve workers productivity, retention and organizational performance. The employers treat employees as expendable cost rather than valuable assets. If human capital is unvalued such as insufficient wages, lack of training and development opportunities, poor working conditions lead to high turnover and migration. Investing in human capital is not only legal mandates but also improve worker retentions, productivity and overall performance of organization.

In summary, the hospitality sector's labor dynamics shows development in human capital is ignored which hindered meeting labor standards and competition in the market. As employers interpreted turnover to impatience instead of accepting choice for career advancement and economic growth. Until employers do realized employee as capital, the chance of exploitation increased. In the sameline, Labor Audit Report (2024) highlights that 77.2% of outsourced workers did not get wages and over time, which shows exploitation the employee. Also, employers complained about labor shortage and turnover, but found unwillingness to invest on them which lead to instability in the organization. Therefore, effective implementation of Human Capital Theory guide to make employee stable through strategic investment. Otherwise, this sector will lack shortage of talent which are invaluable for the organizational growth.

Furthermore, the findings aligned with institutions theory which explains that when outside pressure like laws and social and cultural beliefs are weak and people accept the current unfair situation as a normal and organization just do the bare minimum to look good instead of real change (Lewis et al., 2019).

The awareness among employers regarding fair income, working hours, safety and security, dialogue and tripartism is found but real gaps remain because of ignorance in implementation by employers. The finding of my study is closely with the findings of Shrestha (2022) and Adhikari et al. (2024) in gaps in meeting safety protocols, low payment, job insecurity and workplace harassment which shows that role of institution by employer-led transformation for the decent work.

DiMaggio and Powell (1983) explain how organizations adopt practices and behaviors to obey to external pressures for the legality. The pressures include coercive (law and regulations), normative (professional standards and societal expectation) and mimetic (imitating peers). The findings of my study regarding employers' understanding and practices on decent work in hotels revealed that how institutional forces shape practices with partial adherence of laws with weak enforcement which leading to exploitation and inconsistency. Employers Dipendra, Brijesh, Ramesh, Laxman and Arun claimed adherence of law providing wages and other benefits. But Labor Audit Report (2024) reveals breaches 29% of companies fail minimum wages standard.

Meyer and Rowan (1977), DiMaggio and Powell (1983), Scott (2014) explain ceremonial compliance and decoupling driven by weak enforcement from law and authority due to which formal policies exist on paper while daily practice is different. In the absence of strong coercive pressure such as strict laws, frequent monitoring, fines and mandatory audits, employers adapt decent work policy symbolically to legitimacy only on paper due to which there is gaps in fair wages, working hours, safety and security of the staffs. It is also verified by Labor Audit Report that 50.2% of firm exceeding eight working hours limit in a day. Mimetic isomorphism seems symbolic such inclusion of female, and safety seems more from reputation rather than workers' rights. The leave provision is informal and less than government calendar but accepted it obvious saying hotels sector is 24/7 business. The high turnover of employees shows that there is gap in hotels sector to make decent workplace. The hotels found imitated informal practices such relying on as informal recruitment employee's and employers' network, and social media which does not contribute to decent work. The informal system in institutions, leads to exploitation of employees. Therefore, rules, norms and imitation of good practice is essential.

Employers blame employees lack of patience for exploring opportunities and grow by new generation instead of adapting to modern hopes for work life balance. It

seems employers are resistance to shifting norms. The norms should be shifted with the time. Normative pressure from government related ministry and department promote ethical practices like inclusivity, enrollment in SSF, adherence of labor act but the study of my findings reveals gaps gender biases, societal norms, limiting women's role, less women in decision making, lack of person with disability and LGBTIQ+ in the organization with excuses like safety concern preventing female and marginalized group from opportunities which reflects normative conflicts while Labor Act and ILO Decent Work standards push for equality. Institutional theory highlights that how institutions gaps lead to exploitation such as delay in communication from government, lack of law enforcement. The findings of my research show that need of strong laws and dialogues aligns with IT. As per IT, the organization should value their employees, need to learn widely accepted rules and norms which have been practice in different organization and they have maintained their legacy and image. In the organization internal value and leadership does matter. There is dynamic role of institution to maintain decent workplace through creating, maintaining the organization which drive institutional change and stability. The established laws, practices, norms help shape organization structure, social behavior and decision-making process. However, external pressure and legitimacy is equally important to promote decent work at workplace.

In summary, IT supports my findings such as external laws exist but are weakened by weak enforcement of regulatory and conflicting norms, mindsets and behaviors. Therefore, governmental institutions need to play crucial role imitating international good practices and standards.

## CHAPTER VI

### SUMMARY, CONCLUSION AND IMPLICATIONS

#### **Summary**

This study examines understanding and practices of hotels employers regarding decent work in Kathmandu Valley, Nepal. The hotels sector is a key employment provider for graduates of TVET. ILO defined decent work fair income, social protection, workers' rights, and safe working conditions. These principles are included in Constitution of Nepal, 2015, Labor Act, 2017 and other associated policies and acts.

For this research, I applied a qualitative method, which includes interviews with employers from star and non-star hotels to explore their understanding of its implementation practice and challenges. Employers typically link decent work to offering fair wages, cultivating a positive workplace, valuing staff, and prioritizing safety, often incorporating cultural principles such as *Atithi Devo Bhava* (Guest as a God) into hospitality sectors. Nevertheless, a gap persists between this conceptual understanding and consistent execution, primarily concern to resource limitations, systemic obstacles, and employer reluctance.

Further, the employers reported difficulties in providing decent incomes aligned with government minimum wages standards due to limited hotels revenues, unhealthy market competition, lack of practical skills and work performance, weak regulatory enforcement, and inequitable taxation policies that do not differ between large and small hotels. Although legal provisions have mandated written contracts and social security fund (SSF) enrollment, awareness and participation is low. Many employees are reluctant to contribute because of long maturity period (at the age of 60).

The gender-related challenges are strong at workplace. Employers faced social and cultural barriers in employing female workers for night shifts due to safety concerns, and there is gender pay disparity and occupational segregation within roles. Female employees dominate housekeeping but receive lower wages, whereas male counterparts are working in higher-paying roles such as kitchen. Employers acknowledge the importance of making an inclusive and respectful workplace but admit hinted biases saying women needs more leave compare to men as women take

care of household chores and responsibilities. Further, they showed practical safety concerns to make gender equality at workplace.

The high turnover in entry level and mid-level employees found major issues due to youth migration abroad for the study and employment and lack of low payment in Nepal. Due to which employee's expectation did not match after completing study. Employers stressed that they invested resources to train specially, fresh graduates, but after learning few months, they are attracted by better foreign opportunities. The high turnover brought instability in workplace and reduce productivity and quality of service. Employers highlighted lacking patience and commitment among young employee. Employers claimed that they could not retain skilled human resource in the competitive labor market and unstable political environment.

Occupational health safety including workplace safety is a major pillar in the workplace specially in the hotels sector as employee needs to interact with different kind of guest and work in different department. However, it is found that occupational health and safety measures found implemented inadequately due to employers prioritizing cost saving and production over safety. Regarding emergency (mock drill) training, most of the hotels practiced fire safety but besides that it is found not much concern about other kind of hazards and possible disaster. They have seen sexual harassment as a critical concern and some hotels have policy and established reporting mechanism with training to staff and formation of committee for the investigation. Employers agreed that safe environment makes workers feel more comfortable and secure.

The study emphasized that weak law enforcement, lack of systematic monitoring from government and proper interaction and discussion, it is difficult to implement the decent work in practice. Employers shared their frustration that they do not have security of their business due to inconsistency in policy implementation, changing in rules after changing government such deduction of service charge and lack of government's support during crisis such as COVID-19 pandemic. Though employers acknowledge the labor act, they perceive decent work as costly burden rather than strategic investment for the sustainability of the employees.

This study adopted Human Capital Theory to highlight importance of investing in employees' skill and wellbeing are for the organizational success. It says that promotion of decent work, enhance quality of human capital, resulting better service, increased satisfaction of customers and increased competitiveness. Further,

the study recommended for inclusive policy with inclusion with gender and social inclusion provision explicitly mention about persons with disability, LGBTIQ+.

### **Conclusion**

In conclusion, this study explored that employers of hotels sector from Kathmandu Valley have understand and partially practiced decent work principles, but economic constraints due to unfavorable system, unhealthy market competition, labor market dynamics, limited law enforcement and lack of monitoring system hinder in implementation.

The research highlighted the need for strong collaboration among government and private sector stakeholders for awareness on decent work and SSF, promoting gender friendly policies, periodic monitoring mechanism from government to ensure employers are providing all the benefits align with legal mandates and ILO guideline.

Overall, it highlights that the understanding of employers found good but even having good understanding, the practice is found partially implemented, which are more than 8 hours working hour, no overtime payment, not meeting minimum wages standard and SSF, lack of proper occupational health safety, stereotype mindset for female worker, lack of annual salary increment by showing the reason of high turnover in short time and low revenue, lack of hands on skills, unhealthy market competition, inequalities tax system and weak law enforcement.

### **Implications**

The concept of decent work is core for employment in developing country like Nepal. Employers' perspectives are crucial as they provide insight into the practical realities and challenges of implementing decent work however, existing literatures often overlook employers' side story in Nepal regarding understanding, practices and challenges to implement decent work and how these gaps are addressed.

Understanding these viewpoints serves as a valuable reference for policymakers, enabling open and informed discussions on the existing gaps in decent work issues to bridge existing gaps, proper implementation of Labor Act and effective monitoring mechanism for decent work.

There is less studies on the status of implementation of decent in Nepal from government side. There is Nepal Living Standards Survey (NLSS IV, 2022/23) and Labor Force Reports conducted provide data relevant to employment, working conditions, and labor market challenges including decent work promotion but, I could not find separate study report on decent work from Government of Nepal.

The findings offer essential guidance to employers, sectoral department of government, policy makers, researcher and labor advocates who have been working to improve working condition and enhance employees' wellbeing in hotels sector in Nepal, by highlighting areas that require further exploration in their research.

The findings of the study highlight that future studies should be led by concern ministry of government with in-depth study using mix methods to overcome current gaps for comprehensive report, enabling policy-based amendment and strategic planning. Likewise, the practitioners can collaborate with different provincial ministry and federal level ministry to fill the data gap and enhance on-ground interventions while working in decent work issue. Further, future researchers can conduct in-depth sector specific study of decent work status across Nepal's industries with exploring underlying reasons for gap.

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**Annex-1: Guidance for the study****1. Income Security**

- ✓ Adherence to minimum wage standards:
- ✓ Terms and Conditions of Employment Termination

**2. Employment and Work Security**

- ✓ Working Hours
- ✓ Annual Salary Increments
- ✓ Festival Allowances
- ✓ Leave Provisions
- ✓ Occupational Health and Safety Arrangements

**3. Social Security**

- ✓ Enrolment in Social Security Fund (SFF)

**4. Work in Conditions of Freedom**

- ✓ Equal Remuneration for Equal Work
- ✓ Non-Discrimination
- ✓ No Forced Labour

**5. Social Dialogue and Tripartism****6. Other**

7. How do you see major barrier or challenges to provide above mentioned facility (decent work)?
8. How decent work practice can be improved? (both in policy and practice)
9. What steps should be taken for the decent work?
10. How employers can play role in provide decent work?
11. How are your practicing decent work?
12. How can employers collaborate or work with other stakeholders regarding decent work issue?