

Brain Drain in Nepal's Hospitality and Tourism Sectors: Causes, Challenges and Policy Implications

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Abstract

The employment of trained and experienced human resources is a critical need for the hospitality and tourism industry in Nepal, and the country has been facing high numbers of migration of educated and skilled workforce from the country. This research aims to analyze the main causes, industry issues and policy considerations of brain drain in the hospitality and tourism industry in Nepal. The study is qualitative secondary research in nature, which involves thematic analysis and synthesis of published academic literature on the subject of Nepalese hospitality, hospitality employment, employee retention, hospitality education, skilled migration and Nepal brain drain with relevant international hospitality related literature. The results show that the brain drain is influenced by the interplay of push and pull factors in the country and abroad. Skilled workers may be tempted to migrate to other countries because of lower wages, poor working conditions, job insecurity, skills mismatch, and lack of career prospects, while better job prospects, wages, and working conditions can help maintain migration. This means that there can be a loss of skilled workers, employee retention issues, recruitment and training challenges, and loss of organizational knowledge. The study recommends a retention-oriented and human-capital-based approach to the policy for Nepal involving enhancement of compensation and working conditions, better linkages between education and industry, career advancement, workforce planning, return migration mechanisms and transfer of knowledge from the diaspora.

Keywords: Brain Drain, Skilled Migration, Hospitality Industry, Tourism Workforce, Nepal

1. Introduction

Hospitality and tourism is one of the significant sectors of the economy and employment in Nepal. With the growth of tourism, there has been a growing demand for qualified human resources in hotels, restaurants, travel services and other tourism activities. The availability and effective management of human resources are crucial for the further development of tourism, as they are an important factor in employment creation and foreign exchange earnings [6]. Meanwhile, Nepal's hospitality sector has been grappling with a constant shortage of human resources with issues such as recruitment, training and development, employee satisfaction, labour relations, and retention of skilled staff [1]. The issue is especially important due to the reliance of the hospitality industry on employees' skills, experience, and knowledge of service and interaction with the customer.

The issue of keeping the skilled human resources has been enhanced in this wider trend of international labour migration in Nepal. Tons of people have emigrated from Nepal for employment and recent studies

show that in spite of low numbers of emigration of skilled and semi-skilled workers, the trend of movement has been on the rise. This is a large-scale phenomenon, and according to statistics, over 5.7 million labor clearances have been granted to Nepalese workers for foreign employment during the period from 2008/09 to 2023/24, which includes 954,319 fresh clearances and 558,297 re-clearances in the last two fiscal years, which translates to over 1,700 Nepalis migrating to foreign lands every day [43]. As per the census conducted in 2021, over 2.1 million Nepalese citizens, 81.3 percent of whom are males, were living outside their country, constituting 7.4 percent of the national population [44]. Some of the important reasons for skilled migration from Nepal are perceived to be economic pressures, low availability of employment opportunities in the country, low salaries, lack of scope for career growth, and overall institutional and socio-economic factors [19, 20]. International migration creates remittance income and can contribute to the economic wellbeing of the migrant households, but on-going migration of skilled workers could also lead to a decline in the human capital available in specific sectors in the home country that need qualified staff.

Hospitality and tourism are sensitive sectors to this process as employee retention is strongly linked with the quality of and sustainability of service provision. According to hospitality research in Nepal, job satisfaction, compensation, working conditions, career development, organizational climate, rewards and benefits, and work-life conditions are the key factors found to be associated with employee retention [4, 7, 10]. Hospitality education and hospitality workforce preparation are not exempt from the problem. Misalignment of hospitality education and hospitality industry requirements have been identified, such as the gap between what hospitality students think they are able to do and what employers expect of hospitality graduates [5, 13] These can make it difficult to recruit and keep a skilled, stable workforce in the hospitality industry.

Thus, there is a need to explore the interdependence of hospitality employment and migration. Brain drain is not synonymous with all forms of labour migration from Nepal, however. Instead, it is about the loss or externalization of human capital, in that educated, trained and experienced people leave the domestic economy and transfer their skill elsewhere. Brain drain and skilled emigration have been the concern of increasing research in Nepal [19, 20, 21], while in the field of hospitality, the studies have mostly concentrated on the human resource management, retention of employees, satisfaction of employees, skills, education and organizational performance. The strands of research are relatively isolated.

The fragmentation is an important research gap. While existing literature offers significant evidence on Nepal's skilled migration and on hospitality and tourism's human-resource dilemma, comparatively little has been done to combine the two to look at brain drain as a human-capital sector specific problem in the hospitality and tourism sector in Nepal. To fill this gap, the present study is based on secondary analysis of published academic research on Nepalese migration, brain drain, tourism employment, hospitality human-resource management, employee retention, hospitality education and relevant international hospitality research.

It, therefore, seeks to explore the key drivers of brain drain and their implications for Nepal's hospitality and tourism industry, as well as look at the key challenges and implications of skilled human resources leakage and evidence-based policy interventions that can enhance the retention of skilled human resources and the long-term sustainability of the sector. The study attempts to bring together the wider body of evidence surrounding skilled-migration flows with evidence from the tourism sector to gain a more comprehensive picture of the impact of human-capital outmigration on the development of the tourism sector and the policy options available to help overcome the challenge.

2. Literature Review

2.1 Brain Drain and Skilled Migration in Nepal

Brain drain denotes the movement of educated, trained and skilled people from their home countries to other countries where they believe they have better opportunities for their profession and economic activity. The phenomenon has gained significance in Nepal over the last few years since international migration is no longer restricted to low-skilled workers, but has also become a significant avenue for educated and professionally trained workers to migrate. According to the secondary data analysis conducted by Poudel and Shrestha [19] on the brain drain in Nepal, the main push factors are inadequate employment opportunities, political instability, low wages and lack of investment in Research and Development (R&D) while better employment opportunities, higher salary and better education opportunities abroad are important pull factors. They also believe that ongoing brain drain can lead to labour shortage and reduce the capacity of innovation in the country.

More recent studies also show that there are economic, institutional, political, social and cultural factors that motivate skilled migration from Nepal. Low wages, career opportunities, institutional shortcomings, political and social instability, and sociocultural factors are significant factors driving skilled worker migration, as noted by Gautam and Adhikari [20]. The review also highlights that while the Nepalese labour migration is predominantly a migration of low skilled workers, the small increase in skilled and semi-skilled migration has impact on human resource availability in the country's domestic sectors. The results indicate that brain drain should be interpreted as not only as an individual choice of going abroad but also as a structural one, as the link between conditions in domestic labour markets and the opportunities abroad.

Recent government and international statistics highlight the extent and nature of this migration in more detail. Out of thirteen significant Asian countries of origin, Nepal showed the highest rate of increase of outflows of workers between 2019 and 2023, as outflows increased by 102 per cent [45]. The Gulf Cooperation Council countries and Malaysia were responsible for nearly 80 per cent of new labor permits issued in 2023/24, where the UAE, Saudi Arabia, Qatar, Kuwait, and Malaysia remained at the top of the list every year; and UAE alone accounted for almost 29 per cent of all new labor permits issued in 2023 [20, 45]. In terms of occupation, male workers mainly get their labor permits in elementary occupations like general laboring, cleaning, and construction, whereas females are increasingly migrating towards occupations of cleaning, laundry, domestic and care work, which is similar to the occupations of hospitality and services [43]. In comparison, fewer than a couple hundred of the hundreds of thousands granted per year are considered high-skill migrants, as opposed to hundreds of thousands categorized as generally skilled migrants, showing that the existing migrant statistics are able to define the quantity, destination, and skill level of outflow much better than they can pinpoint the sector-specific migration of skilled workers in hospitality [50]. The money transferred by these workers is crucial for the country's economic functioning and accounts for over 25 percent of the GDP in recent times [46], thus revealing the double-edged nature of migration mentioned throughout this review: an essential income provider at both household and national levels, while also taking qualified hospitality workers out of the country's labor force.

2.2 Human Resource Challenges in Nepalese Hospitality

The hospitality industry is an especially relevant context in which to explore the issue of human-capital retention. Shrestha [1] mentions "Qualified and skilled human resources" as a major challenge in the expanding hospitality industry in Nepal and brain drain as one of the external pressures on human resource

management in the hospitality industry. As tourism has grown and foreign hotel groups have come in, there has been an increased demand for highly trained workers, so that the recruitment, development and retention of qualified workers has become more important than ever.

Other Nepalese studies show that more than just recruiting, the problems in the workforce exist. The study of Hakuduwal [4] focused on employee job satisfaction in Nepalese hotels and Rijal [7] investigated factors related to employee retention in the hotel industry in Nepal. Rewards and benefits, organizational reputation and job prestige, career development and growth, organizational climate, and work-life considerations also are important to employees' retention in the tourism and hospitality industry, according to Rijal [10]. Together, these studies show that retention of experienced staff in Nepalese hospitality companies is influenced by the economic, organizational, and career factors.

In addition to the human-capital issue as it relates to workers being in the industry, there is an issue that arises prior to that Shrestha [5] notes issues about the match between expectations of hospitality education and the expectations of the industry and Shrestha [13] looks at the difference between the competencies of what hospitality graduates think they have and the competencies expected of them in industry. The results are significant for brain drain as investment in the hospitality sector does not always equate to a steady domestic workforce if the perception of opportunities is greater outside Nepal, or outside the hospitality industry.

2.3 Employee Retention, Working Conditions, and Career Development

There is an important link between the conditions in the hospitality industry and migration decisions, to be found in employee retention literature. Results from Nepal show that compensation, job satisfaction, career advancement, organizational climate, work-life balance, and workplace conditions are important factors that influence employees' retention in the hospitality industry [4, 7, 10]. But in recent years, research on motivation, job satisfaction, job stress, work-life balance, and human resource management practices has continued to expand within the Nepalese hospitality industry [12, 15, 17].

These are corroborated by international evidence. Ghani et al. [31] conducted a literature review of the hospitality retention research, which revealed common challenges in attracting and keeping top-notch personnel and its critical importance to develop organizational strategies to lower employee turnover. Similarly, Xu et al. [32] highlight the importance of quality of work life and intrinsic motivation factors in the context of turnover intention in tourism and hospitality. Giousmpasoglou [39] in his overview of working conditions in the global hospitality sector identifies concerns about working conditions, pay, workload, job security and the work environment in which hospitality workers build and maintain their careers. The implications of these findings for Nepal indicate that the brain drain from the hospitality sector is not only a function of differences in international wages, but that domestic job quality and prospects might also affect the decision of the worker to stay in the hospitality sector.

2.4 Hospitality Education, Skills, and Human Capital

Another aspect of the literature that is important to consider is the link between education and employment. Shrestha [5, 13] argues that there are challenges in linking formal hospitality education to the skills and knowledge demanded by the workplace in Nepal. The study on knowledge management also highlights the need to keep and share organizational knowledge in the hospitality organizations of Nepal [3, 8]. Occurrences such as the loss of experienced staff can thus result in the loss of individual employee labor, as well as the accumulated knowledge, skills, experience in customer services and organizational memory. Career expectations also suggest that hospitality is not an attractive career choice in the long-term, according to international research. Giotis [38] conducted a systematic review of the employment

perceptions of tourism and hospitality students, which indicates that job opportunities and career pathways are key factors in students' career decisions. In a similar vein, Nguyen et al. [42] summarise the evidence on turnover intentions of frontline tourism and hospitality workers, highlighting the need to gain insight into the reasons behind frontline employees' exit from the tourism and hospitality profession.

2.5 Nepal's Tourism Market and Hospitality Potential Across Visitor Segments

The hospitality and tourism industry in Nepal caters to a very diversified group of tourists, and recent figures demonstrate the immense potential that lies in providing employment to local residents. There were 1,147,567 foreign tourists who visited Nepal in 2024, which represented a 13.1 percent growth rate compared to the previous year when there were 1,014,882 tourists, and it is 96 percent of the highest number of tourists before the pandemic, which was 1,197,191 tourists in 2019 [47]. The Nepal Tourism Board has clearly stated the need for diversifying the tourist base by including different categories such as budget and backpacker tourism, adventure tourism, cultural heritage tourism, eco-tourism, and spiritual tourism [47].

Backpacker and adventure tourism continues to be an essential strength of the industry. In just the Annapurna region – one of the most developed long-distance trekking circuits in Nepal – 244,045 trekkers were reported in 2024, a new record for this destination based on the statistics of Annapurna Conservation Area Project [48]. Long-range source countries traditionally linked to independent and adventure travelers also showed very good performance; the number of tourists from Australia increased by 13.4 per cent to 43,980, and that from Canada increased by 9.4 per cent to 16,074 in 2024 [47]. Since backpacker and adventure travelers do not use international hotel chains but rely on teahouses, budget accommodations, trekking and guiding agencies and tour operators, the importance of local tourism specialists and staff, such as trekking guides, porters, lodge owners and adventure activity operators, is high for this market segment.

Tourism based on spirituality and religion is another aspect where there are underexploited opportunities in hospitality. Lumbini, which is the birthplace of Gautam Buddha and also a UNESCO World Heritage Site, registered 1,172,304 tourists in 2024, showing a rise of 17.4 percent from the 998,938 that visited the site in 2023. This figure indicates the influx of visitors from over 100 different countries [49]. Similarly, there are other important pilgrimage sites such as Pashupatinath and Muktinath that draw several hundred thousand devotees each year, especially during important religious festivals. According to industry experts, with the development of pilgrimage facilities, Nepal could easily attract more religious tourists in future [51]. The realization of this opportunity is possible only if Nepal has a stable workforce that is adequately trained for handling the influx of pilgrim visitors to these sites.

As a whole, it can be said that backpacker, adventure, and spiritual or religious tourism are among the most unique market segments of Nepal along with leisure and cultural tourism, and all three are heavily dependent on the same trained staff in the hospitality and tourism industry, which is the primary focus of this research study. Thus, any further migration of skilled workers from the hospitality industry will affect not only the hotels and restaurants currently present in the country but Nepal's potential in catering to all these tourist segments.

2.6 Research Gap

The literature shows that there are two interrelated issues in Nepal: the continuous skilled worker migration and problems in attracting and retaining qualified workers in the hospitality and tourism sector. In general, however, these issues have been studied as individual research streams. Labour-migration pattern, brain drain, remittance, and socioeconomic impact are the main areas of focus for Nepalese

migration studies, while human-resource management, employee satisfaction, skills, working condition and employee retention are the key focus areas for hospitality studies [10, 19]. The results from international studies on hospitality and turnover, migrant labour, working conditions and career withdrawal cannot simply be extrapolated to apply to Nepal.

The present study thus fills this gap by combining all these evidences and exploring brain drain as a sector-specific problem of human-capital in the hospitality and tourism sector of Nepal. The study does not view international migration and issues of hospitality workers' employment as separate issues, but rather considers the impact of the interplay between the domestic employment context, career prospects, skills development, and incentives in the international labour market on the retention of skilled labour. This holistic view enables the analysis of sectoral impact of brain drain and policy interventions to mitigate brain drain and improve the inbuilt human resource capability of the hospitality sector of Nepal.

3. Theoretical Framework

3.1 Push–Pull Theory of Migration

The Push–Pull Theory of migration offers the main theoretical perspective for explaining the reasons behind migration of skilled workers from their countries of origin to other countries for work. The theory identifies the push and pull factors as the condition that push people out of their home country and the condition that pulls people towards a destination country. In the Nepal context, previous studies have shown that limited jobs, low wages, poor career prospects, political and institutional challenges, and the context of socio-economic issues are all contributing factors to the decision to migrate [19, 20]. The destination can also act as an important pull factor in terms of higher earning potential, better employment opportunities, better working condition and better opportunities for career development [19, 21].

The theory is of special relevance for the Nepalese hospitality and tourism industry, since the migration decision of the employees could be affected by the employment situation in the domestic industry and the job market opportunity abroad. According to a study on the aspect of retaining employees in Nepal, compensation, job satisfaction, career growth, organizational climate, rewards and benefits, and work-life balance are some of the significant factors [4,10]. Therefore, the term "brain drain" in the hospitality industry must not be taken at face value as meaning only that jobs in attractive foreign countries are available. It might also indicate a lack of competitiveness within the country's labor market, which makes foreign job offers more appealing. The Push–Pull perspective then enables the study of brain drain as a product of a combination of push agents and pull agents.

3.2 Human Capital Theory

In contrast, the Human Capital Theory offers a complementary view on how the movement of educated and trained workers to other countries and sectors may impact the countries and sectors of origin. Human capital is what many people today refer to as the knowledge, education, experience, and other things an individual knows and is able to do that increases their productive contributions. Human capital plays a crucial role within the field of hospitality and tourism, as the quality of service is not only related to the number of employees but also to their technical skills, managerial expertise, customer-service abilities, professional experience and knowledge of the organization's operations.

The same view is applicable to the Nepalese context, as the hospitality literature continues to signal concerns about the preparation and retention of competent staff in the country. Research has identified that there are gaps in the skills and knowledge of hospitality education graduates and those required in the hospitality industry, as well as the perceived skills by graduates and expected by employers [5, 13]. The

research further highlights the need to create, externalize and retain knowledge in Nepalese hospitality organizations [3, 8]. In cases where the employees are experienced and trained, the loss of individual labour is only part of the problem. Organizations can also be deprived of their built-up professional skills, organizational knowledge and investment in the development of their employees.

3.3 Integrated Theoretical Perspective

The two theories are not competing, but complementary explanations. Push–Pull Theory addresses the migration decision, and Human Capital Theory addresses the impact of the migration on the sector and the origin economy. Together, they can give an adequate framework to analyze the brain drain in the hospitality sector in Nepal.

Thus, in this study, brain drain is defined as a process whereby the job market and job opportunities within a country bind with opportunities abroad, and motivates the skilled workforce in the tourism and hospitality industry to move to another country. This outmigration can hinder the retention of skilled people, loss of organizational knowledge, maintaining a skilled workforce, and service-sector growth and development. The framework thus links push and pull factors, skilled-worker migration, human capital loss, human capital externalization, issues in the hospitality and tourism workforce, and policy interventions. This holistic view is used as a reference in the analysis of brain drain causes, impacts and policy implications in the hospitality and tourism industry in Nepal.

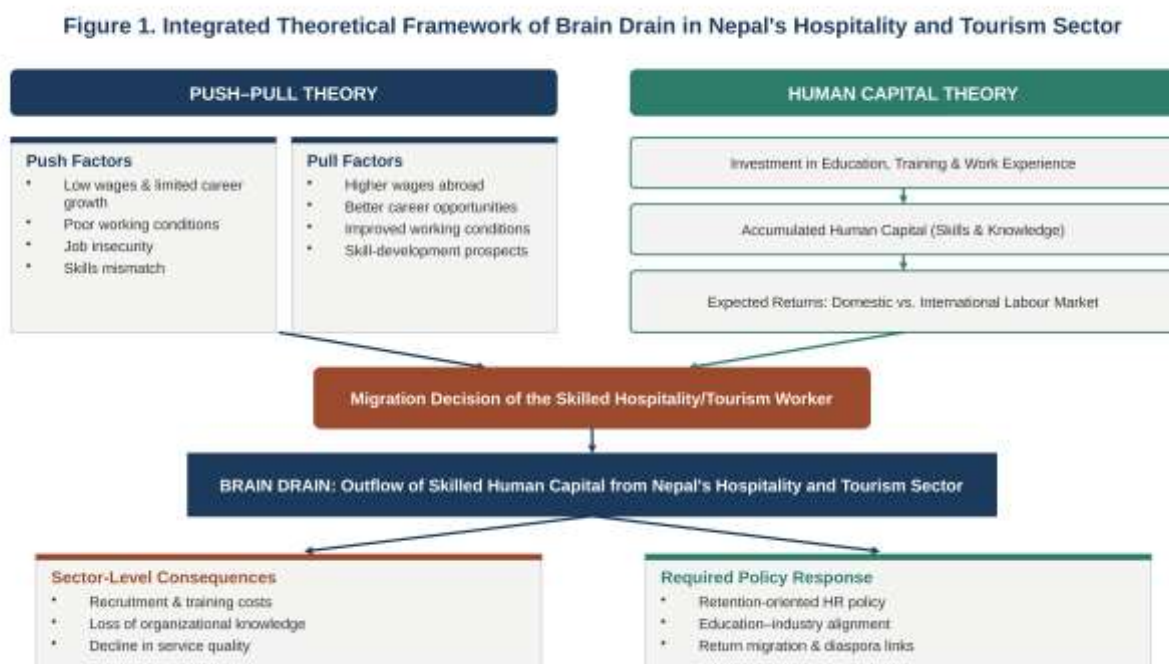


Figure 1. Integrated Theoretical Framework of Brain Drain in Nepal's Hospitality and Tourism Sector.

4. Methodology

4.1 Research Design

This study uses a qualitative secondary-research design to investigate the issue of brain drain in the hospitality and tourism sector in Nepal. The study does not gather primary data by questionnaires, interviews, observations or fieldwork, but rather looks at evidence published in academic works. This approach is suitable because the study problem involves two sets of literatures, namely studies on Nepal's

hospitality and tourism industry workforce and studies on skilled migration and brain drain in Nepal. These issues have been previously studied separately on human resource challenges [1], employee retention [7, 10], hospitality education [19], labour migration [20], and skilled-worker outmigration [1].

4.2 Sources of Evidence

The principal evidence base comprises the 42 academic references assembled for this study, covering Nepalese hospitality and tourism, employee retention, hospitality education, human-resource management, skilled migration, brain drain, and international hospitality labour research. The Nepal-specific literature includes studies on human-resource challenges in hospitality [1], employee job satisfaction [4], hospitality education [5], employee retention [7, 10], workforce diversity [11], graduate competencies [13], and hospitality human-resource practices [15]. The migration literature includes studies addressing brain drain, skilled-worker migration, foreign employment, labour migration, remittances, and migration-related socioeconomic consequences [19, 20, 21, 22, 23]. International studies were used to provide comparative evidence concerning hospitality employee retention, turnover, working conditions, migrant labour, and career withdrawal [31, 32, 37, 39, 42].

4.3 Literature Analysis and Thematic Synthesis

Selected literature was not examined but rather analyzed in thematic fashion. Results were grouped into five general categories of analysis: (1) economic and employment push factors, (2) workplace/career push factors, (3) international pull factors, (4) impacts of skilled-worker outmigration on the hospitality and tourism industry, and (5) policy responses and strategies for retaining skilled workers. In this way, results of various studies can be compared and combined on common themes. Nepalese research, for instance, reveals that compensation, job satisfaction, career development, organizational climate, and work-life balance are relevant to employee retention [4, 7, 10], and international studies also show that working conditions, quality of work life, organizational support, and career considerations are associated with employee retention in hospitality [31, 32, 39].

The analysis also separates general labour migration from brain drain by sector. While national migration studies can offer insights into Nepal's overall skilled worker migration, this doesn't necessarily mean that all migrants are from the hospitality and tourism sector. Rather, hospitality-specific studies are utilized to define human-resource and retention conditions in the sector while migration studies are used to offer evidence on the wider context in which skilled-worker migration takes place. This dichotomy is important as there are no complete datasets available in the literature on the Nepalese migrants' occupation, qualification for hospitality, decision of migration, and destination of the job.

4.4 Analytical Framework and Interpretation

The synthesized evidence was discussed in the context of the Push-Pull Theory of Migration and Human Capital Theory provided in the previous section. The literature identified the following factors, which were treated as the potential push factors for domestic employment: (1) working conditions in the domestic job market, (2) employment conditions in foreign countries, and (3) income and career opportunities abroad [19, 20]. The potential impacts were then explored from a human-capital lens, specifically in terms of the loss of skills, experience and organizational knowledge from the domestic hospitality industry [3, 5, 13].

The study employs a critical thematic synthesis analysis instead of the primary statistical estimation. Conclusions drawn on the basis of convergence, divergence and complementarity of published findings. Nepal's skilled-migration context, otherwise not directly evidence related to the hospitality sector, is

explicitly identified as such in the analysis. This way, no specific migration rates or causal links for the sectors are assumed that are not even indicated by the secondary literature.

4.5 Scope and Limitations of the Method

The study has been carried out on secondary sources which gives extensive coverage of the topic but also limits the study. The studies available vary in geographical scope, design, populations and definition of skilled migration and hospitality jobs. Furthermore, there is relatively little published research directly quantifying the number of Nepalese hospitality professionals that are migrating overseas and then staying in the hospitality sector overseas. As a result, the study does not try to estimate a brain drain rate for each sector. Rather, it compiles the existing evidence to observe patterns, mechanisms, challenges and policy implications of skilled worker retention and migration in the Nepali hotel and tourism sector.

5. Findings and Analysis

5.1 Economic and Employment-Related Drivers of Brain Drain

As per the literature reviewed, one of the most significant factors behind migration of skilled workers from Nepal is economic conditions. Low job opportunities at home, salaries, and limited economic mobility are often cited as key factors for educated and skilled Nepalese people's desire to work abroad [19, 20]. Similarly, according to Bastola [21], the key drivers of international migration out of Nepal are economic and employment related conditions. The results indicate that part of the reason for migration is due to the difference in returns to labour within and outside the country. This can be further highlighted through national labor market statistics that show the rate of unemployment among youths in Nepal as being 20.82% in 2024; about 84.6% of total employment in Nepal was informal; and the legally set minimum wage of less than NPR 20,000 (about USD 145) per month was not always respected, despite people relying on income from remittances, which would be much higher than this amount [50, 52].

The pressures are especially important in the tourism and hospitality sector. According to the Nepalese hospitality research, compensation and employment is a significant aspect of employee satisfaction and retention [4, 7, 10]. If hospitality workers feel they are not earning a sufficient income, compared to their skills and other job prospects, they are more likely to become jobless. So it's not only about the availability of overseas opportunities, but also about the relative attractiveness of hospitality jobs at home.

The overall migration literature reveals that foreign labour has become a major source of livelihood in Nepal. Studies of overseas labour migration and remittances demonstrate the continuing importance of international employment to Nepalese households and the national economy [22, 23, 24, 25]. This means that the policy landscape is complex: on one hand, migration opens up huge economic opportunities in remittances, on the other, it raises issues of skilled human resources that are not available in the domestic economy.

5.2 Working Conditions, Job Satisfaction, and Employee Retention

No single factor, such as economic incentives, can account for workforce mobility. The Nepalese hospitality literature suggests a wider range of work place factors related to the willingness of employees to stay in the industry. Job satisfaction is an important aspect of hospitality work [4] and career development, rewards and benefits, organizational climate, job prestige and work-life considerations are important aspects for employee retention [7, 10]. They also found concerns about motivation, job satisfaction, performance, and job stress among the Nepalese hotel employees in more recent studies on the topic [12].

An additional concern is work-life balance. Pandit et al. [17] discuss work-life balance in the tourism sector of Nepal and the need to balance hospitality-related demands. This is in line with the international evidence. Ghani et al. [31] highlight working conditions, organizational practices, career development and other employment-related factors as key challenges in the retention of employees in the hospitality industry, whereas Xu et al. [32] show that quality of work life and intrinsic motivation are relevant to the intentions to leave. The evidence points to an overall trend of brain drain that should be considered as a part of a larger retention challenge within the hospitality industry. While foreign employment may provide greater monetary compensation, discontent with domestic working conditions and lack of opportunity for advancement can increase the incentive for employees to seek foreign employment opportunities.

5.3 Career Development, Education, and Skills Mismatch

Another key aspect of skilled-worker migration is career opportunities. The results of the Nepalese hospitality research show that graduate and practitioners' perceptions of a match between hospitality education and industry requirements do not always coincide. Shrestha [5] raises issues around hospitality education and what its graduates and industry expect from it, while Shrestha [13] highlights the gap between graduates' competencies as perceived by them and as required by the industry. These mismatches can cause a loss of confidence in the domestic hospitality industry, especially in the educated workforce who have undergone specialized training.

The problem has implications beyond initial employment. When opportunities for promotion, specialization, managerial roles, and professional growth are scarce, if at all available, to the qualified worker, they may see migration as a way to re-earn returns from their accumulated human capital. According to Rijal [10] career development and growth is one of the factors that influences employee retention in tourism and hospitality industry of Nepal. International research also shows that hospitality students' expectations have a significant impact on their views of their future careers and employment [38]. This is also related to knowledge retention. Maharjan [3, 8] highlights the processes of knowledge management in the hospitality organizations in Nepal. When the experienced staff leave, it can also mean that the tacit knowledge and the experience of the organization is lost. This may result in skilled-worker outmigration having a bigger impact than mere employee replacement.

5.4 International Pull Factors and Migration Aspirations

Literature suggests that there are attractive conditions in the destination countries, as well as domestic push factors. The top benefits of going abroad are higher pay, better job opportunities, career growth, and better professional prospects [19, 20, 21]. The importance of employment quality, career pathways, working conditions and organizational support and its effect on employment choices has been illustrated in the international hospitality literature [39, 42]. The UK hotel industry, facing a substantial workforce deficit after Brexit and rising employment costs, has come to rely on international students to fill seasonal and entry-level roles in housekeeping, reception and food and beverage service. This dependence illustrates how international hospitality markets can create significant employment opportunities for migrant workers while responding to persistent labor shortages in destination countries [53].

The migration decision is therefore comparative rather than absolute, as workers assess the expected returns from employment at home against the opportunities available abroad. For skilled and educated hospitality workers, international labor markets may offer greater opportunities for professional development, career progression and improved employment conditions, making migration an attractive option when domestic career prospects appear limited [20, 21].

5.5 Consequences for Nepal's Hospitality and Tourism Sector

Based on the literature reviewed, a number of potential consequences of skilled-worker outmigration were identified. For one thing, brain drain can lead to problems with keeping an adequate staff of qualified people. One of the challenges that Shrestha [1] has identified for Nepal's hospitality industry is the lack of qualified and skilled human resources. If employees continue to leave the organization, this can exacerbate the recruitment and retention challenges. Second, when experienced employees leave the organization, organizational knowledge can be lost with them. Hospitality organizations gain knowledge from the experiences of their employees with customers, systems and processes, and management and service delivery. Nepalese hospitality-related research also highlights the need to develop and preserve organizational knowledge [3, 8]. Some of this knowledge can travel with the experienced workers.

Finally, high turnover can create ongoing recruitment, training and workforce development costs and demands for the organization. One of the top issues that have been mentioned repeatedly in the international hospitality literature is the challenge of employee turnover and retention within the sector [30, 31, 42]. These difficulties could be exacerbated in Nepal, where domestic hospitality employers not only find it difficult to retain staff from other employers in the country but also from overseas where they have other employment opportunities.

Last but not least, brain drain can have a cumulative effect on the competitiveness of the tourism sector. Tourism requires stable and competent service and staffing. Ongoing loss of skilled staff without proper replacement and development programmes could cause problems in maintaining the level of capability and services that the sector provides. But the existing literature is inadequate to establish the exact impact of brain drain on the performance of Nepal's tourism. It therefore needs to be viewed as an important concern for workforce development more than as a direct measure of a cause-and-effect. Such repercussions take on added significance in view of the sector's unused growth potential in the areas of backpacker, adventure, and spiritual or religious tourism mentioned in Section 2.5: the industry runs the risk of being unable to capitalize on increased numbers of tourists, including the 13.1% increase in the total number of arrivals year on year and unprecedented trekking and pilgrimage numbers seen in 2024, in terms of proportional growth in hospitality staffing and services [47, 48, 49].

6. Discussion

The evidence confirms that brain drain in the hospitality and tourism industry in Nepal needs to be seen as a combination of the weaknesses of the domestic workforce and the opportunities in the international market for employment, and not just as a result of migration. The Push–Pull model provides a rationale for why low wages and lack of promotion opportunities and risk of workplace stress, skills mismatch and employment insecurity can push workers to look for overseas opportunities, whereas higher wages and greater career prospects can pull workers toward migration [19,20]. The results are aligned with the international data, which indicated that job insecurity, organizational support, communication, and job satisfaction are the factors affecting employee turnover intentions among hospitality workers [33, 34].

The evidence also indicates that the issue is not limited to the turnover of individual employees. When experienced employees leave, the accumulated skills, experience and organizational knowledge of hospitality organizations can be lost [3, 8]. At the same time, the tourism sector in Nepal has been under pressure due to adapting to the tourism workforce, managing diversity and employment conditions [9, 10]. The study also finds that migrant labour, precarious jobs, and career withdrawal continue to be a problem in tourism and hospitality, as is found in international research [40, 42].

This can thus affect the sector's ability to build and sustain a stable professional workforce, as skilled workers continue to migrate out. Migration is also not always a bad thing, as suggested by the literature. Remittances are a significant source of income and socioeconomic development to Nepalese households [24, 28, 29] and migration can confer skills, international experiences and financial resources to workers. In addition, when there is a possibility of return migration, knowledge transfer, and diaspora engagement, then skilled migration does not necessarily mean permanent human-capital loss. In addition, brain drain is influenced by various structural factors, as shown by Vega-Muñoz et al. [35], and changing values and aspirations of highly educated South Asians are pointed out by Udayanga [36]. These viewpoints indicate that the policy challenge in Nepal is not just to stop migration but to make the hospitality industry more appealing in the country and get the most value from the developmental opportunities of migration. Lastly, the literature suggests that hospitality-sector retention needs to be addressed in tandem with the overall development of the industry. The future human-capital base of tourism relies on the skills of existing employees [13], the employment potential of tourism [18], students' aspirations for the hospitality industry [14, 38], and students' competencies [16]. The main policy challenge lies thus in making migration a potentially circular human-capital process of retaining, repatriating, knowledge transfers, and productive diaspora engagement.



Figure 2. Conceptual Model of Brain-Drain Drivers, Consequences, and Policy Responses in Nepal's Hospitality and Tourism Sector

7. Policy Implications

The results suggest that Nepal has to move from brain-drain types of policies towards brain-retaining

human resource policies, especially in the context of the hospitality and tourism industry. First, hospitality employers and policymakers should enhance the attractiveness of domestic jobs by providing more competitive wage packages, clearer promotion paths, supportive work environments, and better work-life balance. These measures are directly related to the identified retention issues in Nepalese hospitality [4, 7, 10, 17].

Secondly, there needs to be greater connections between education and industry. The hospitality curriculum should be more aligned with industry competency, and structured internships, industry certification, industry management training, and continuous skill development should be introduced to enhance employment and career opportunities of graduates [5, 13]. This can also raise awareness of the potential for career within the hospitality industry in Nepal in the long haul.

Thirdly, mechanisms for return migration, knowledge transfer and engagement with the diaspora should be established in Nepal. International mobility is not merely a loss of human capital but can also be seen as an opportunity for policy makers to offer incentives for the return of skilled workers, investment in Nepal, training of local workers, and bringing in international knowledge and expertise to Nepalese hospitality institutions. These would be in addition to the broader labour-migration governance and institutional reform [26].

Lastly, there should be government, tourism, education and business coordination for the planning of the hospitality workforce. Planning should keep an eye on skills gaps, job prospects, the performance of graduates, retention and international mobility. Better knowledge of the workforce would also make it possible for the policymaker to differentiate between general labour migration and actual brain drain in specific sectors and then make appropriate interventions.

8. Limitations and Future Research

There are a few limitations to this study. Firstly, it is based entirely on secondary research, which is published literature, and the range of published studies has differing research designs, samples, geographic scope and definitions of skilled migration and hospitality employment. Second, few studies have empirical measures of the international migration of Nepalese hospitality professionals and the study cannot directly quantify the rate of brain drain in the hospitality sector nor make a definite causal link between specific working conditions and migration decisions. Thirdly, international hospitality research results cannot simply be applied to Nepal; the findings are thus used mainly for comparative interpretations. These limitations would be removed through sector-specific longitudinal datasets, surveys of hospitality employees, and interviews with hospitality employers and migrant professionals, in future studies. This study could provide a more accurate estimate of the scale of the brain drain from the hospitality sector, and explore if skilled migrants end up staying in the hospitality sector, getting a different job, or migrating back to Nepal.

9. Conclusion

Brain drain is a significant issue of human capital for Nepal's hospitality and tourism industry. The findings in this study suggest the interplay of domestic and international influences for skilled-worker outmigration. Domestic pressures such as limited remuneration, limited career advancement, employment conditions, skills mismatch, and weak workforce retention can drive the skilled workers' migration, while higher earnings, better career opportunities and improved employment conditions in the destination country provide strong pull factors for skilled workers to migrate [19, 20]. The effect is more than just a

lost employee for a company working in the hospitality and tourism industry. Outmigration can exacerbate already existing skills gaps, raise retention and recruitment costs and result in loss of professional experience and organizational knowledge [1, 3]. In addition, migration can bring remittances, foreign experiences and opportunities for knowledge sharing. Thus, the goal of the policy should not be merely to stop migration, it should be to render domestic hospitality jobs more appealing and to create mechanisms for return migration, knowledge transfer, and diaspora engagement. To retain and better utilize the human capital of the hospitality industry in Nepal, it is necessary to strengthen compensation, career development, education-industry alignment, working conditions and coordinated workforce planning.

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