An In-depth Examination of Cultural Diversity and its Impact on Service Quality in the Hospitality Industry of Nepal

Chhayan Kunwar
7th Semester
Atharva Business College, Kathmandu, Nepal
chhayankunwar5@gmail.com

Pankaj Kumar Tiwari, PhD
Arrow Pharmaceuticals Pvt. Ltd., Nepal
omnipankaj@gmail.com

Kalpana Khadka
Nepal Philosophical Research Center, Kathmandu, Nepal
https://orcid.org/0009-0007-8063-2727

Corresponding Author
Chhayan Kunwar
chhayankunwar5@gmail.com

Abstract

The study investigated the effects of cultural diversity on organizational performance and consumer satisfaction in the hospitality sector, which was noted for its multicultural staff and customer base. A standardized questionnaire was given to a representative sample of workers in the hotel sector to measure demographic traits, attitudes toward cultural diversity, perceptions of inclusion, and the effects of diversity on business performance and customer happiness. Statistical analysis was conducted on the quantifiable data to identify trends, correlations, and the overall impact of cultural diversity on various aspects of hospitality management. The study's findings contributed to the existing knowledge on cultural diversity in the hospitality sector, providing insights into strategies and methods that enhance industry efficiency and customer satisfaction. The study emphasized the importance of cultivating a welcoming and inclusive company culture that values diversity, promotes cultural awareness, and harnesses the unique skills and perspectives of employees from diverse backgrounds.
Keywords: Demographic traits, hospitality management, representative sample

Introduction

The hospitality sector, which attracts people from many different cultures, is a foreign and fast-paced business. In recent years, racial variety has become more important in the area of hotel management (Ali, et al., 2021). Due to globalization and more foreign tourists, it's hard for hotel businesses to manage and use ethnic variety in a way that makes customers happy, keeps employees engaged, and keeps them ahead of the competition (Khan, Hassan, Fahad, & Naushad, 2020).

Language, habits, customs, beliefs, and values are just a few examples of how different cultures show up in the hotel industry (Khan & Panarina, 2017; Neupane, 2019). This range is both good and bad for businesses in the hotel industry. On the one hand, cultural diversity may improve the experience of visitors by giving them different points of view, real events, and personalized services that cater to different cultural tastes (Shavitt & Barnes, 2020). On the other hand, if cultural differences aren't handled well, they can lead to mistakes, fights, and trouble communicating (Taylan & Weber, 2023; Neupane, 2018).

Cultural variety is important for the hospitality industry; so many studies have been done to look at how it affects different parts of hospitality management (Baum, et al., 2007; Ghimire & Neupane, 2022). In these studies, the effects of cultural variety on employee performance, customer satisfaction, service quality, company culture, and the success of a business as a whole were looked at. Still, more research needs to be done, especially regarding ethnic variety in the hotel industry (Seo, 2012).

The goal of this study is to fill this gap by looking at ethnic variety in hotel management. Its goal is to find out how ethnic variety affects the connections between workers, the happiness of customers, and the success of a company (Ficarra, Rubino, & Morote, 2020). The study will look into the problems hotel companies face when trying to deal with people from different cultures, such as communication problems, fights between people, and the need to be culturally sensitive.

The study looks at the best ways that successful Nepalese hospitality businesses make use of cultural differences to their benefit (Ghimire & Neupane, 2022). We'll find out how to encourage equality, good communication, and cultural competence among employees, and we'll look at how that affects worker happiness and how customers feel about the company (Patrick & Kumar, 2012).

The results of this study give Nepalese hotel managers, lawmakers, and other people with a stake in the business useful information and ideas. The study's results will help us learn more about cultural diversity in the hospitality industry, especially in Nepal. They will also lay the

groundwork for creating business practices that are culturally inclusive, improving customer satisfaction, and having long-term success in Nepal's hospitality market.

Objective

To analyze the cultural diversity in the hospitality industry

Study Methods and Materials

The present study exhibited an objective approach (Mahat & Aithal, 2022).In this study, a descriptive research designwas employed, which allows for the collection of data without altering the natural environment. The researchers used random selection to ensure that every individual in the population had an equal chance of being included in the study (Mahat & Agrawal, 2019). This method allowed them to make valid inferences about the entire population based on the characteristics and responses of the selected sample. The data that was gathered was subjected to analysis using statistical software; specifically, SPSS (Statistical Package for the Social Sciences) use frequency and percentage to determine the outcome (Mahat & Aithal, Socio-culture and Women Career Development: References to Government Agencies of Nepal, 2022). The participants were informed and given consent before they were asked to participate in the survey. They were provided with precise details about the objectives of the survey, the intended use of the collected data, and any associated risks or benefits. The participants were made aware of their rights, including the voluntary nature of their participation and the freedom to withdraw from the survey at any time.

Results and Analysis
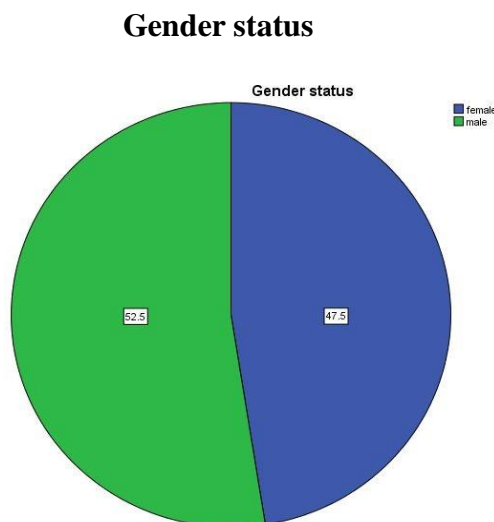
Demographic

Gender status

Figure 1: Gender status

In the gender pie chart, the entire circle represents the total population or sample being considered. The sector representing male largely because, they account for 52.5% of the population. This sector covers approximately 55% of the circular area, while the remaining portion of the circle represents females, who make up 47.5% of the population.
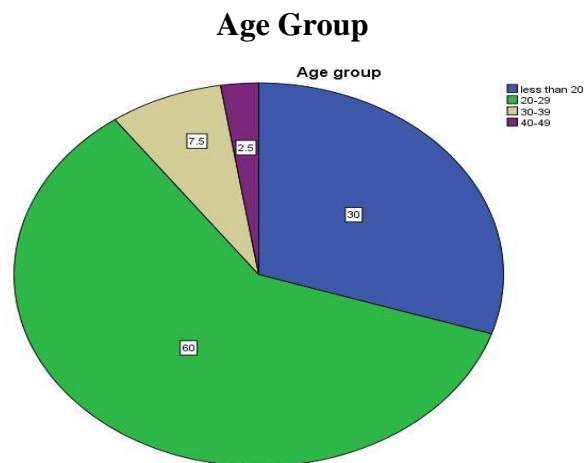

Figure 2 Age Group

The pie chart displayed the distribution of age groups among the respondents. The data showed that 30% of the respondents were less than 20 years old, while the majority, representing 60%, fell within the age range of 20-29. A smaller portion, 7.5%, belonged to the 30-39 age groups, and only 2.5% were in the 40-49 age range. Overall, the data indicated that the largest age group among the respondents was 20-29 years old, followed by those less than 20 years old.
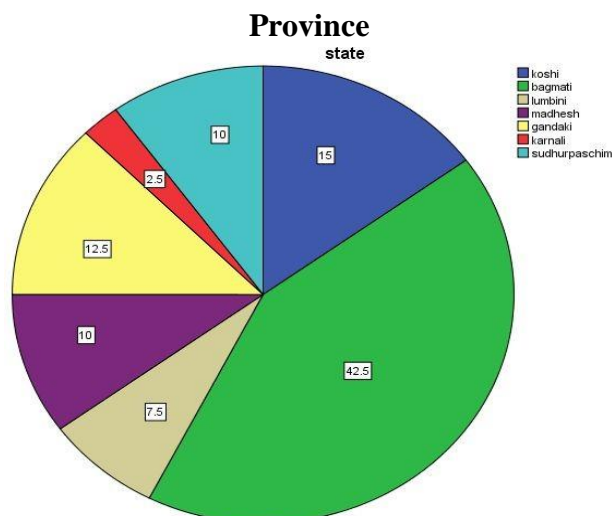

Figure 3: Province Group

The population or sample being considered had been represented by the entire circle in the given pie chart. The largest group of participants in the survey had come from the Bagmati region, with 17 individuals, which accounted for 42.5% of the total. The Koshi region had contributed 6 participants, making up 15.0% of the total. The remaining regions had varied numbers of participants: Lumbini had 3 (7.5%), Madhesh had 4 (10.0%), Gandaki had 5 (12.5%), Karnali had 1 (2.5%), and Sudhurpaschim had 4 (10.0%). In total, there had been 40 participants in the survey, representing 100.0% of the total responses. The pie chart had depicted the distribution of participants across different regions, based on the past survey data.
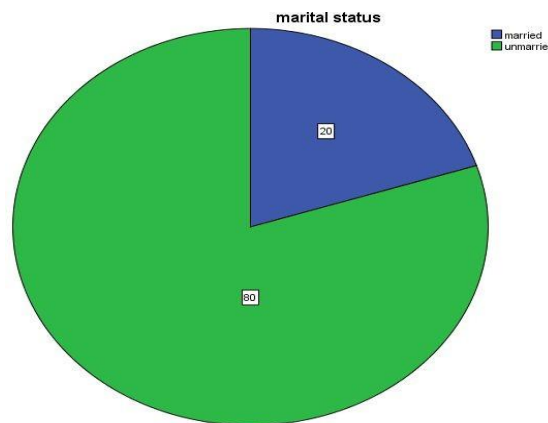
Marital Status

Figure 4: Marital Status

The entire circle will represent the marital status of 40 participants. It is anticipated that 8 individuals will be married, accounting for 20.0% of the total. The majority of participants, approximately 32 individuals, are expected to be unmarried, making up 80.0% of the total.
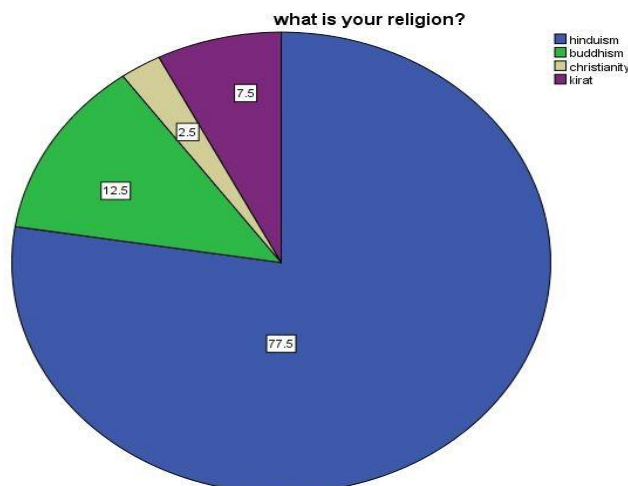
Religion

Figure 5: Religion

The pie chart illustrates the distribution of religious affiliations among the participants.The largest portion of the chart, accounting for 77.5% of the total, represents individualswho follow Hinduism. Buddhism is represented by a smaller slice, making up 12.5% of the chart. Christianity is depicted by a very small slice, representing 2.5% of the total. The Kirat religion is represented by another slice, comprising 7.5% of the chart. The pie chart visually displays the proportions of each religious group, emphasizing thedominance of Hinduism among the participants.
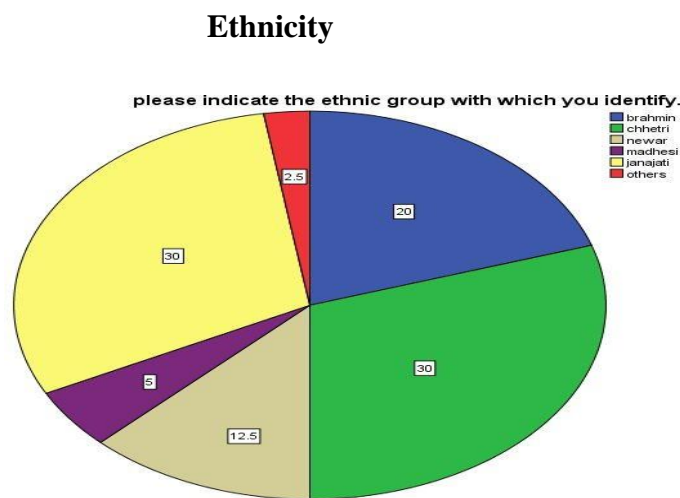
Ethnicity

Figure 6: Ethnicity

The pie chart represents the distribution of different ethnic groups among the participants. Among the respondents, the largest ethnic group is Chhetri, constituting 30% of the total. Brahmins make up 20% of the participants, while Janajati also accounts for 30% of the chart. The Newar ethnicity represents 12.5% of the respondents, and Madhesi ethnicity comprises 5% of the total. The "Others" category is the smallest, representing only 2.5% of the participants. The pie chart visually illustrates the proportions of each ethnic group, highlighting the diversity within the surveyed population.

Perception towards Cultural diversity

Table 1: Do you follow the traditional cultural values of your ethnic background?

Options	Frequency	Percent
Never	4	10.0
Rarely follow	7	17.5
Somewhat follow	6	15.0
Mostly follow	9	22.5

Always follow	14	35.0
Total	40	100.0

Field Survey 2023

Data presents the responses of 40 participants regarding their adherence to traditional cultural values. Among the options provided, 10.0% stated that they never follow these values, while 17.5% rarely follow them. Approximately 15.0% indicated that they somewhat follow, and 22.5% mostly follow these values. The highest percentage, 35.0%, reported always following traditional cultural values. It is important to note that these responses reflect the perspectives of the surveyed participants and may vary across individuals and cultural contexts.

Table 2: would you be interested in participating in a cultural day arranged by your workplace?

Options	Frequency	Percent
Definitely not	2	5.0
Maybe	15	37.5
Moderately	4	10.0
Definitely	19	47.5
Total	40	100.0

Field Survey 2023

The data provided indicates the responses of 40 individuals regarding their interest in participating in a cultural day arranged by their workplace. Among the options given, 5.0% responded as "definitely not," 37.5% were uncertain and chose "maybe," while 10.0% expressed a moderate level of interest. The majority, 47.5%, responded positively and expressed a definite interest in participating. It's important to note that these responses reflect the preferences of the surveyed individuals and may vary among employees in different workplaces.

Table 3: Do you include people who are culturally different from yourself in decision making process?

Options	Frequency	Percent
Never	4	10.0
Almost never	3	7.5
Sometimes	11	27.5
Almost always	10	25.0
Always	12	30.0
Total	40	100.0

Field Survey 2023

The provided data reflects responses from 40 individuals regarding the inclusion of culturally different people in the decision-making process. It indicates that 10.0% responded as "never" including them, while 7.5% stated "almost never." Approximately 27.5% mentioned including them sometimes, and 25.0% responded as "almost always" including culturally different individuals. The highest percentage, 30.0%, indicated that they always include culturally different people in the decision-making process. It is important to promote diversity and inclusivity in decision-making to ensure varied perspectives are considered.

Table 4: Do you challenge others when they make ethnic/sexually offensive commentor joke?

Options	Frequency	Percent
Never	3	7.5
Almost never	2	5.0
Sometimes	17	42.5
Almost always	13	32.5
Always	5	12.5
Total	40	100.0

Field Survey 2023

Based on above table, in the past, 7.5% of respondents mentioned that they never challenged offensive comments or jokes targeting ethnicity or sexuality. Another 5.0% responded as "almost never" challenging such remarks. Approximately 42.5% mentioned challenging them sometimes, while 32.5% stated they "almost always" confronted such offensive comments. Only 12.5% of respondents indicated that they always challenged ethnic or sexually offensive

comments or jokes. Promoting a respectful and inclusive environment involves actively addressing offensive remarks and fostering understanding.

Table 5: Do you appreciate the richness of other's cultures and honor their events?

Options	Frequency	Percent
Never	2	5.0
Almost never	3	7.5
Sometimes	9	22.5
Almost always	12	30.0
Always	14	35.0
Total	40	100.0

Field Survey 2023

Based on the provided data, in the table 5.0% of respondents stated that they never appreciated the richness of others' cultures or honored their events. Another 7.5% responded as "almost never" doing so. Approximately 22.5% mentioned appreciating and honoring cultural events sometimes, while 30.0% stated they "almost always" did. The highest percentage, 35.0%, indicated that they always appreciated the richness of other cultures and honored their events. Recognizing and respecting cultural diversity contributes to a more inclusive and understanding society.

Conclusion

The findings of the study highlighted the effectiveness of implementing cultural diversity committees, language banks, and organizing cultural events as strategies to promote diversity within the workforce. It was evident that employees expressed a strong interest in learning about different customs and cultural attributes, indicating their willingness to embrace diversity. However, despite its significance, cultural diversity was found to be lacking full integration into the hospitality business, emphasizing the need for increased education and training initiatives in this area. The research primarily focused on collecting comprehensive information about employees' backgrounds and their attitudes towards cultural diversity, which played a pivotal role in the organization's corporate strategy. The administered questionnaire provided valuable insights into employees' demographic details, values, and behaviors pertaining to cultural diversity. The results revealed a wide range of attitudes towards other cultures, highlighting the importance of cultural diversity training in fostering a cross-cultural understanding. It is important to note that the questionnaire design could be further improved to delve deeper into the topic and extract more comprehensive responses. Future research

efforts should be directed towards enhancing cultural diversity training by providing specific guidelines and practical examples that can assist organizations in cultivating positive attitudes among both managers and employees. This research study serves as a strong foundation for future exploration and development in the field of cultural diversity training, paving the way for additional studies and advancements in this critical area of hospitality management. By addressing the gaps identified in this study, organizations can strive towards creating more inclusive and diverse environments within the industry.

References

Ale, S., Aryal, S., & Pudasaini, A. (2023). Hospitality Business' Attention to Food Safety and Hygiene. *International Journal of Atharva, 1*(1), 96-107. doi:https://doi.org/10.3126/ija.v1i1.58847

Ali, B. J., Gardi, B., Othman, B. J., Ahmed, S. A., Ismael, N. B., Hamza, P. A., . . . Anwar, G. (2021). Hotel Service Quality: The Impact of Service Quality on Customer Satisfaction in Hospitality. *International journal of Engineering, Business and Management, 5*(3), 14-28.

Baum, T., Dutton, E., Karimi, S., Kokkranikal, J., Devine, F., & Hearns, N. (2007). Cultural diversity in hospitality work. *Cross Cultural Management: An International Journal, 14*(3), 229-239.

Bhandari, S., Dhaubhadel, S. M., Pant, S., & Shah, R. U. (2023). Influence of Demographic Variables on Trust in the Banking Industry. *International Journal of Atharva, 1*(1), 62-73. doi:https://doi.org/10.3126/ija.v1i1.58844

Dhakal, R. L., Adhikari, D. B., Ghimire, M. N., & Neupane, D. (2018). An explorative study of academic performance of school students with reference to Ethnicity. *International Journal of Applied Research, 4*(5), 36-38.

Ficarra, L., Rubino, M. J., & Morote, E.-S. (2020). Does Organizational Culture Affect Employee Happiness? *Journal for Leadership and Instruction*, 38-47.

Ghimire, L. D. (2023). Exploring Menstrual Hygiene: A Comprehensive Study of Knowledge, Perceptions, and Practices among Higher Secondary Girl Students at Baneshwor Multiple Campus, Kathmandu, Nepal (2023). *Nepal Journal of Multidisciplinary Research, 6*(4), 45-58. doi:https://doi.org/10.3126/njmr.v6i4.62007

Ghimire, M. N., & Neupane, D. (2022). An Exploratory Study on Status of Homestays from Lamjung. *Nepal Journal of Multidisciplinary Research (NJMR), 5*(5), 119-126. doi:https://doi.org/10.3126/njmr.v5i5.51812

Ghimire, M., Adhikari, D. B., Neupane, D., & Regmi, R. B. (2018). An exploratory research on academic performance of school students with reference to religion. *International Journal of Applied Research, 4*(5), 76-81.

Karki, T. B., Manandhar, R. B., Neupane, D., Mahat, D., & Ban, P. (2024). Critical Analysis of Noise Pollution and Its Effect on Human Health. *International Journal of Education and Life Sciences(IJELS), 2*(2), 161-176. doi:https://doi.org/10.59890/ijels.v2i2.1372

Khan, M. A., & Panarina, E. (2017). The Role of National Cultures in Shaping the Corporate Management Cultures: A Four Countries Theoretical Analysis. *Journal of Eastern European and Central Asian Research, 4*(1), 1-25.

Khan, N., Hassan, A. U., Fahad, S., & Naushad, M. (2020). Factors Affecting Tourism Industry and Its Impacts on Global Economy of the World. *SSRN*, 1-32.

Lamichhane, B., & Neupane, D. (2023). Perceived Organizational Support in Nepalese Banks. *International Journal of Atharva, 1*(1), 1-13. doi:https://doi.org/10.3126/ija.v1i1.58835

Magar, K. T., Adhikari, S., Chaudhary, R. P., & Niraula, A. (2023). Atharva Business College Students' Choice Regarding Bank Selection. *International Journal of Atharva, 1*(1), 74-82. doi:https://doi.org/10.3126/ija.v1i1.58845

Magar, M. T., Bista, S., Hamal, K., & Nyaupane, N. P. (2023). Collectivism from Employees' Perspective in the Nepalese Banking Industry. *International Journal of Atharva, 1*(1), 26-36. doi:https://doi.org/10.3126/ija.v1i1.58837

Mahat, D., & Agrawal, C. (2019). Gender Perspective on career development and opportunity in health service organization of Nepal. *World Wide Journal of Multidisciplinary Research and Development, 5*(1), 75-79.

Mahat, D., & Aithal, P. S. (2022). Socio-culture and Women Career Development: References to Government Agencies of Nepal. *International Journal of Management, Technology, and Social Sciece, 7*(2), 241-249.

Mahat, D., & Aithal, P. S. (2022). Women's Articulates towards Career Advancement. *International Journal of Management, Technology, and Social Science, 7*(1), 417-424.

Mahat, D., Neupane, D., & Karki, T. B. (2023). Exploring the Academic Landscape: A Critical Analysis and Review of the Nepal Journal of Multidisciplinary Research. *Nepal Journal of Multidisciplinary Research, 6*(4), 128-138.

Mahat, D., Neupane, D., & Shrestha, S. (2024). Quantitative Research Design and Sample Trends: A Systematic Examination of Emerging Paradigms and Best Practices. *Cognizance Journal of Multidisciplinary Studies, 4*(2), 20-27. doi:10.47760/cognizance.2024.v04i02.002

Neupane, D. (2014). Age and Peer Victimization among School Adolescents in Kathmandu, Nepal. *Journal of Advanced Academic Research (JAAR), 1*(1), 18-23.

Neupane, D. (2014). Gender Role in School Bullying. *Journal of Chitwan Medical College, 4*(7), 37-41. Retrieved from https://www.cmc.edu.np/images/gallery/Original%20Articles/oGfWOoriginal7.pdf

Neupane, D. (2018). Food Choice Motives of Guardians of Trilok Academy Kathmandu with reference to Gender. *Nepal Journal of Multidisciplinary Research (NJMR), 1*(1), 73-81.

Neupane, D. (2019). Food choice motives of adults from Kathmandu city with reference to ethnicity. *International Journal of Applied Research, 5*(3), 182-185.

Pandey, A., Shrestha, S., & Manandhar, R. (2023). Factors Affecting Customer's Menu Item Selection in Restaurants. *International Journal of Atharva, 1*(1), 108-116. doi:https://doi.org/10.3126/ija.v1i1.58848

Panta, S., Neupane, D., & Bhattarai, P. (2023). Preferred Learning Techniques among Bachelor's Level Students. *Nepal Journal of Multidisciplinary Research (NJMR), 6*(2), 145-154. doi:https://doi.org/10.3126/njmr.v6i2.57660

Patrick, H. A., & Kumar, V. R. (2012). Managing Workplace Diversity: Issues and Challenges. *Sage Journal, 2*(2).

Paudel, S., Thapa, B. K., Gurung, S., & Lama, T. J. (2023). Implication of Organizational Citizenship Behaviour in Nepalese Commercial Banks. *International Journal of Atharva, 1*(1), 48-61. doi:https://doi.org/10.3126/ija.v1i1.58842

Seo, Y. (2012). Cultural Impact on Customer Satisfaction and Service Quality Evaluation in Hotels. Las Vegas: University of Nevada.

Shavitt, S., & Barnes, A. J. (2020). Culture and the Consumer Journey. *Journal of Retailing, 96*(1), 40-54.

Shrestha, R., & Timalsena, C. (2023). Perceived External CSR from Employees' Perspective in Nepalese Banking Industry. *Nepal Journal of Multidisciplinary Research (NJMR), 6*(3), 145-155. doi:https://doi.org/10.3126/njmr.v6i3.59718

Subedi, C. K., & Neupane, D. (2018). Gender differences in learning style preferences of high school students. *International Journal of Applied Research, 4*(1), 215-221.

Taylan, C., & Weber, L. T. (2023). "Don't let me be misunderstood": communication with patients from a different cultural background. *Pediatr Nephrol, 38*(3), 643–649.

Thapa, S., Ghimire, M. N., & Bhattarai, P. R. (2023). Relationship between Demographic Characteristics and Patients' Satisfaction with TU Teaching Hospital's Services. *International Journal of Atharva, 1*(1), 14-25. doi:https://doi.org/10.3126/ija.v1i1.58836