



Received: 07-09-2026
Accepted: 17-10-2026

International Journal of Advanced Multidisciplinary Research and Studies

ISSN: 2583-049X

ESG-S Practices and Human Resource Sustainability in Three- to Five-Star Hotels in Hanoi: A Situational Analysis and Directions for Action

Nguyen Trung Kien

Hanoi University of Natural Resources and Environment, Hanoi, Vietnam

DOI: <https://doi.org/10.62225/2583049X.2026.6.5.7086>

Corresponding Author: Nguyen Trung Kien

Abstract

Purpose: This paper examines how the social pillar of environmental, social and governance practice (ESG-S) is currently applied to employees in three- to five-star hotels in Hanoi, Vietnam, and what this situation means for the long-term sustainability of the hotel workforce.

Design/methodology/approach: A desk-based situational analysis was carried out using official tourism and labour statistics, hotel market reports from international real estate consultancies, industry workforce surveys, the Vietnamese legal framework on labour, wages and social insurance, and international reporting standards (GRI 401 to 407 and ESRS S1). The evidence was organised into six ESG-S domains and graded by source strength. No causal or statistical model is estimated; the purpose is to establish a reliable baseline.

Findings: Demand has recovered quickly. Hanoi received 33.7 million visitors in 2025, and occupancy in the tracked three- to five-star stock rose from 49% in the last quarter of 2022 to between 70% and 76% in 2025 and 2026, while new supply is concentrated in the five-star tier. Workforce conditions have not kept pace. Industry surveys report

average annual staff turnover of about 19%, with one unit in four losing 30% or more of its staff each year, and more than three-quarters of employers report difficulty in recruiting. Statutory protection improved in 2025 and 2026 through a higher regional minimum wage and a new Law on Social Insurance, yet property-level evidence on pay adequacy, working time, gender equality and employee voice is largely missing. Sustainability effort in the city is clearly weighted toward environmental measures, while social practices remain mainly compliance-driven and unmeasured.

Practical implications: The paper sets out directions for hotels, industry bodies, training institutions and the city government, together with a minimum set of property-level social indicators that can be reported at low cost.

Originality/value: The study provides an integrated baseline of ESG-S practice and workforce sustainability for the upscale hotel sector of Vietnam's capital and shows how a green-first sustainability agenda can leave the human side of hotel operations under-managed.

Keywords: ESG, Social Pillar, Sustainable Human Resource Management, Decent Work, Hotel Workforce, Staff Turnover, Hanoi, Vietnam

JEL Classification: J28; J63; L83; M14; M54

1. Introduction

Hotels sell an experience that is produced, minute by minute, by people. A guest's judgement of a five-star property rests as much on the reception agent who solves a booking error at midnight as on the marble in the lobby. This makes the hotel one of the most labour-dependent formats in the service economy, and it gives the social dimension of sustainability a weight that it does not have in capital-intensive industries. Yet the sustainability agenda in hospitality has been built mainly around energy, water, waste and carbon (Jones *et al.*, 2014)^[23]. Green certification schemes, guest-facing campaigns and municipal policies all reflect this emphasis. The social pillar of ESG, and in particular the treatment of a hotel's own employees, has received far less systematic attention, even though it is precisely where the industry's long-standing weaknesses lie: Low pay relative to effort, irregular hours, high turnover and limited career paths (Baum, 2007; Kusluvan *et al.*, 2010)^[2, 27].

Hanoi offers a timely setting for examining this tension. The city welcomed more than 33.7 million visitors in 2025, of whom 7.82 million were international, an increase of 22.76% over the previous year, and tourism receipts exceeded VND 134 trillion (Nhan Dan, 2026)^[36]. For 2026 the city targets 35.8 million visitors, including 8.6 million international arrivals, and receipts

above VND 160 trillion (Thuong Hieu va Cong Luan, 2026)^[47]. In the first half of 2026 it had already received 18.01 million visitors, 15.7% more than a year earlier (VietnamNet, 2026)^[54]. The upscale accommodation market has moved in step: Around 1,900 new rooms from six projects were expected to open in 2026, five of them in the five-star tier (VietnamNet, 2026)^[54]. Each of these openings needs trained staff, and most of them will be recruited from the same local labour pool.

That labour pool is under visible strain. A 2026 industry survey of 331 hospitality units found that 77% had difficulty recruiting, that average annual staff turnover was 18.9%, and that one quarter of units lost 30% or more of their staff each year (Nguyen, 2026)^[35]. The same source estimates that the tourism industry needs about 60,000 new workers a year, while formal training produces only about 20,000. Industry leaders now describe the shortage as national rather than local, affecting front-line staff and middle managers alike (Nguyen, 2026; Thanh Nam, 2026)^[35, 46]. In other words, the growth of Hanoi's upscale hotel sector depends on a workforce whose ability to renew itself is uncertain. This is, at its core, a question of human resource sustainability.

Research has not yet connected these two strands for the Vietnamese capital. Studies of ESG in Vietnam have concentrated on listed companies and on the relationship between disclosure and firm value, while hospitality studies in the country have mostly examined job satisfaction, turnover intention or green human resource management through cross-sectional surveys. What is missing is a clear and well-sourced description of the current situation: Which social practices toward employees can actually be observed in Hanoi's three- to five-star hotels, how far they go beyond legal compliance, what is measured and reported, and what the overall picture implies for the sector's ability to attract, keep and develop its people. Without such a baseline, later explanatory studies risk testing relationships between constructs whose real-world content is poorly understood.

This paper addresses that gap through a situational analysis. It asks three questions. First, what is the current state of ESG-S practices toward employees in three- to five-star hotels in Hanoi? Second, what does this state imply for human resource sustainability, understood as the capacity to attract, retain, develop and regenerate the workforce? Third, which directions for action follow for hotels, industry bodies and public authorities? The study is deliberately descriptive and diagnostic. It does not estimate a structural or regression model; instead it triangulates official statistics, market data, industry surveys and legal texts within a framework derived from international reporting standards.

The paper makes three contributions. It offers an evidence-graded baseline of ESG-S practice for the upscale hotel sector of a major Southeast Asian capital. It identifies a marked asymmetry between environmental and social effort in the local sustainability agenda, which we describe as a green-first pattern. And it translates the diagnosis into a small set of property-level social indicators that hotels can adopt without waiting for mandatory reporting rules. The remainder of the paper is organised as follows. Section 2 reviews the literature on the social pillar of ESG, sustainable HRM and the hotel workforce. Section 3 explains the analytical framework and data. Section 4 presents the situational analysis. Section 5 discusses the findings, Section 6 sets out directions for action, and Section 7 concludes.

2. Literature Review

2.1 The social pillar of ESG

The term ESG entered mainstream use through the investor-oriented report *Who Cares Wins* (UN Global Compact, 2004)^[48], which argued that environmental, social and governance issues affect long-term financial value. Since then, ESG has become the dominant vocabulary through which firms describe their non-financial performance (Gillan *et al.*, 2021)^[14]. Of the three pillars, the social one is the most heterogeneous. It covers a firm's own workforce, workers in its value chain, affected communities and consumers, and it relies heavily on indicators that are hard to standardise, such as job quality, fairness and dignity. One consequence is that ratings disagree most strongly on social and governance items; the divergence among major ESG rating agencies is driven largely by differences in what they measure and how they measure it (Berg *et al.*, 2022)^[5].

Reporting standards have tried to bring order to the employee dimension. The Global Reporting Initiative groups workforce topics into GRI 401 (employment), 402 (labour and management relations), 403 (occupational health and safety), 404 (training and education), 405 (diversity and equal opportunity), 406 (non-discrimination) and 407 (freedom of association and collective bargaining) (GRI, 2016, 2018)^[15, 16]. In the European Union, the European Sustainability Reporting Standards include a dedicated standard, ESRS S1 Own Workforce, that requires disclosure of working conditions, equal treatment and other work-related rights, including adequate wages, social protection, work-life balance and the gender pay gap (European Commission, 2023)^[12]. These frameworks matter for Hanoi because several international hotel groups operating in the city report at group level under them, even though their individual properties do not.

2.2 Human resource sustainability

Sustainable human resource management (sustainable HRM) extends strategic HRM by asking whether the way an organisation uses people today preserves its ability to obtain and develop people tomorrow. Ehnert (2009)^[9] frames sustainability in HRM as the regeneration of the human resource base: An organisation that consumes its employees' health, motivation and goodwill faster than these can be renewed will eventually face shortages, rising costs and declining quality. Kramar (2014)^[26] widens the lens to include outcomes for employees and society, not only for the firm, and Aust *et al.* (2020)^[1] go further by proposing a Common Good HRM that treats social and ecological wellbeing as goals in their own right. Studies of corporate sustainability reports show that large firms tend to disclose policies and training hours far more readily than outcomes such as turnover, pay equity or injuries (Ehnert *et al.*, 2016)^[10].

For this paper, human resource sustainability is defined as the capacity of a hotel, and of the local hotel labour market as a whole, to attract, retain, develop and renew a workforce of sufficient quantity and quality without depleting workers' health, income security or career prospects. Four dimensions follow from this definition: Attraction (whether the sector can bring in new workers), retention (whether it can keep them), development (whether skills and careers grow over time) and regeneration (whether working conditions protect the physical, mental and financial resources that workers bring to the job). The International Labour Organization's

guidelines on decent work in tourism provide a practical bridge between these dimensions and concrete practices such as fair wages, regulated working time, social security and social dialogue (ILO, 2017) [22].

2.3 Social sustainability and the hotel workforce

A large body of hospitality research documents what Kusluvan *et al.* (2010) [27] call the paradox of the industry: People are described as the key asset, yet many jobs are low-paid, physically demanding and insecure. Baum (2007) [2] noted that, despite decades of commentary, the basic features of hospitality work had changed little, and later work linked these features directly to the social sustainability of tourism (Baum *et al.*, 2016) [3]. Turnover is the most visible symptom. Hotel human resource managers often accept high turnover as normal, which weakens investment in training and leads to persistent skill shortages (Davidson & Wang, 2011) [7]. Work-life balance and talent management practices have been shown to matter for retention, especially among younger and more mobile employees (Deery & Jago, 2015; Robinson *et al.*, 2019) [8, 41].

Equality and dignity form a second strand. Hotel careers remain shaped by gender, age and ethnicity, with women concentrated in housekeeping and service roles and under-represented in senior management (Mooney *et al.*, 2017) [30]. A job quality index for the Spanish hospitality sector found systematic gender differences across pay, contract type and working time (Santero-Sanchez *et al.*, 2015) [42]. Winchenbach *et al.* (2019) [57] argue that decent work in tourism must include dignity, meaning respect, recognition and the absence of humiliation, and not only income. The COVID-19 pandemic made these weaknesses more visible; Baum *et al.* (2020) [4] describe its effect on hospitality workers as an amplification of existing problems rather than a wholly new crisis.

A third strand concerns the gap between corporate commitments and property-level practice. Hospitality firms that report extensively on corporate social responsibility do not necessarily perform better on the issues they report, a pattern described as the disclosure-performance gap (Font *et al.*, 2012) [13]. Studies of the business case for CSR in hospitality find mixed effects on financial performance, partly because social and environmental activities are bundled together and partly because employee outcomes are rarely measured (Kang *et al.*, 2010; Rhou & Singal, 2020) [24, 40]. Where hotel research has focused on human resources within sustainability, it has often examined green HRM, that is, using HR tools to promote employees' environmental behaviour (Kim *et al.*, 2019) [25], rather than the social sustainability of employment itself.

2.4 The Vietnamese context and the research gap

In Vietnam, mandatory sustainability-related disclosure applies mainly to public companies. Circular 96/2020/TT-BTC on information disclosure requires such companies to report environmental and social information, including policies toward employees, in their annual reports (Ministry

of Finance, 2020) [29]. Most hotels in Hanoi, however, are owned by private domestic groups, state-linked enterprises or foreign investors whose hotel operations are not separately listed, and they are therefore outside this requirement. The national tourism strategy to 2030 places human resource development among its core tasks (Prime Minister, 2020) [38], and Hanoi has adopted increasingly ambitious green tourism measures. Academic work on Hanoi's hotel workforce exists, but it is fragmented across single-hotel case studies and attitude surveys, and it rarely uses the language or indicators of ESG.

Three gaps therefore stand out. There is no integrated description of ESG-S practice toward employees in Hanoi's upscale hotels. The link between such practice and the sector's capacity to renew its workforce has not been examined with current data from the post-pandemic period. And there is little guidance on which social indicators hotels in a non-mandatory reporting environment could realistically adopt. The present study responds to all three.

3. Analytical framework and data

3.1 Research design and scope

The study uses a qualitative-descriptive design based on document analysis, a method suited to building a systematic picture from existing records when the aim is description and diagnosis rather than hypothesis testing (Bowen, 2009) [6]. The unit of analysis is the three- to five-star hotel segment of Hanoi as a whole, not individual hotels. Two definitions of this segment coexist in the data. The official register of the city's Department of Tourism counts establishments whose star rating is currently valid, while international consultancies track a panel of hotels that operate at three- to five-star standard regardless of certification status. Savills, for example, surveyed 65 such hotels with 10,967 rooms in the second quarter of 2026 (VietnamNet, 2026) [54]. Both perspectives are used and are identified in the text. The observation window runs from late 2022, when international arrivals resumed in volume, to the third quarter of 2026.

3.2 Data sources

Table 1 lists the sources used. They fall into five groups: Official tourism and labour statistics; hotel market reports; industry workforce surveys; legal and regulatory texts; and international reporting standards and certification schemes. Where Hanoi-specific figures were not available, national or Ho Chi Minh City data were used as indicative benchmarks and are labelled accordingly.

3.3 Analytical framework

Six ESG-S domains were defined by aligning the GRI workforce topics and the ESRS S1 sub-topics with the main provisions of Vietnamese labour law. Each domain was then linked to the dimension of human resource sustainability that it most directly supports (Table 2). The framework is an organising device for evidence and is not a causal model; it does not specify relationships among the domains or test their effects.

Table 1: Data sources and evidence grades

Source	Type	Content used	Period	Grade
Hanoi Department of Tourism (via official press releases)	Official statistics	Visitors, receipts, accommodation stock, star-rated establishments, targets	2024-2026	A
National Statistics Office, Ministry of Finance	Official statistics	Average income by sex and area, wage-employee income, labour force	2025-2026	A
Labour Code 2019; Law on Social Insurance 2024; Law on Trade Unions 2024; Decree 145/2020; Decree 293/2025; Circular 96/2020	Legal texts	Statutory floors for pay, working time, social insurance, harassment prevention, disclosure	2019-2026	A
Savills Vietnam; JLL	Market reports	Occupancy, room supply, segment composition, pipeline	2022-2026	C
Hoteljob.vn survey (331 units) and labour market report	Industry survey	Recruitment difficulty, turnover, reasons for leaving, training gaps	2026	B
HCMC Department of Tourism conference on hotel workforce	Industry survey and official statement	Shortage rate, readiness of young applicants, turnover by star class	2026	B
State Management Review; Industry and Trade Magazine	Secondary studies	Structure and qualifications of Hanoi's tourism workforce; post-pandemic outflow	2019-2023	C
GRI 401-407; ESRS S1; ILO decent work guidelines; ASEAN Green Hotel Standard; Green Lotus label	Standards and schemes	Analytical categories and benchmarks for practice	2016-2026	Reference

Source: Compiled by the authors. Grade A = official statistics or legal text; B = industry survey with a stated sample; C = consultancy data or secondary study; D = qualitative statements only

Table 2: ESG-S domains used in the situational analysis

Domain	Practices covered	GRI	Vietnamese legal anchor	HR sustainability dimension
D1. Employment and retention	Contract types, hiring, turnover, seasonal and casual labour	401	Labour Code 2019 (contracts)	Attraction; retention
D2. Pay, benefits and social protection	Base pay, service charge, allowances, social insurance coverage	401, 202	Decree 293/2025; Law on Social Insurance 2024	Attraction; retention; regeneration
D3. Working time, safety and wellbeing	Rostering, overtime, rest, injury prevention, mental load	403	Labour Code 2019 (working and rest time); occupational safety rules	Regeneration
D4. Training and career development	Onboarding, skills training, certification, promotion paths	404	Labour Code 2019 (vocational training); national tourism skills standards	Development; retention
D5. Equality, diversity and dignity	Gender pay and progression, anti-harassment, inclusion	405, 406	Labour Code 2019; Decree 145/2020	Retention; regeneration
D6. Voice, labour relations and transparency	Trade unions, dialogue, grievance channels, social disclosure	402, 407, 2-30	Law on Trade Unions 2024; Circular 96/2020	All dimensions (enabling)

Source: Authors' framework based on GRI (2016, 2018) ^[15, 16], European Commission (2023) ^[12] and Vietnamese legislation.

3.4 Assessment procedure

For each domain, the evidence was read against three questions: What the legal or standard benchmark requires, what can be observed about practice in Hanoi's three- to five-star hotels, and how strong the supporting evidence is. Each domain was then given one of three status ratings. Established means that practice is supported by consistent grade A or B evidence and appears to meet or exceed the benchmark. Partial means that some elements are present but evidence is incomplete or uneven across segments. Weak means that evidence points to clear gaps, or that the absence of any measurement makes it impossible to show that the benchmark is met. Treating the lack of measurement as a weakness follows the logic of reporting standards,

under which an unmeasured social outcome cannot be managed or verified. The ratings are the authors' judgement and are presented with their reasoning so that readers can assess them.

4. Situational analysis

4.1 Market context: Fast recovery and an up-market shift

Table 3 summarises the demand side. Visitor numbers and tourism receipts have grown at double-digit rates since 2024, and the city has raised its targets again for 2026. International arrivals, the main source of demand for upscale hotels, grew faster than the total.

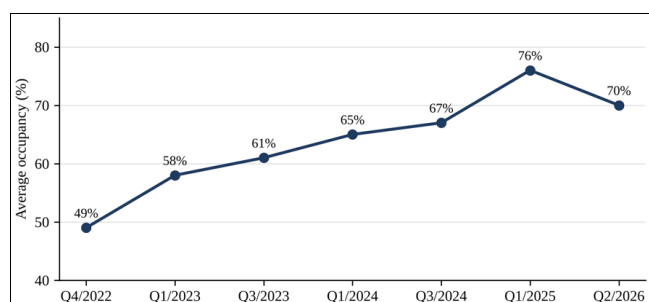
Table 3: Selected tourism and accommodation indicators for Hanoi

Indicator	2024	2025	2026
Total visitors (million)	n.a.	33.7	35.8 (target); 18.01 in H1
International visitors (million)	n.a.	7.82 (+22.76%)	8.6 (target)
Tourism receipts (VND trillion)	110.52 (+18.3%)	> 134	> 160 (target); 74.23 in H1
Accommodation establishments / rooms	n.a.	3,761 / 71,256	n.a.
Star-rated (1-5 star) establishments / rooms	n.a.	65 / 9,963	n.a.
Three- to five-star panel tracked by Savills (hotels / rooms)	67 / 11,120 (early 2024)	10,986 rooms (Q2)	65 / 10,967 (Q2)
Average occupancy, tracked panel	65% (Q1); 67% (Q3)	76% (Q1)	about 70% (Q2)
New upscale supply expected	n.a.	1,138 rooms in H2 (three 5-star, one 4-star)	about 1,900 rooms, six projects (five 5-star)

Source: Hanoi Department of Tourism figures as reported by VnEconomy (2025) [56], Nhan Dan (2026) [36] and Thuong Hieu va Cong Luan (2026) [47]; Savills Vietnam data as reported by Hanoi Times (2024) [19], Savills (2025a, 2025b) [43, 44] and VietnamNet (2026) [54]. n.a. = not available in the sources consulted

The composition of supply is shifting toward the top of the market. In the first quarter of 2023, Savills recorded 10,260 rooms in 17 five-star, 18 four-star and 31 three-star hotels (VietnamNet, 2023) [53]. By 2024 the consultancy expected no new three-star projects in the following three years and projected that five-star hotels would account for about 76% of future supply, partly because low-quality properties had closed or been repositioned (Hanoi Times, 2024) [19]. The official register shows the same tilt: At the start of 2026, 28 hotels and apartment complexes held a five-star rating, 16 hotels and one apartment complex held four stars, and only eight hotels held three stars, while 3,676 establishments with 61,293 rooms had no rating at all (Thuong Hieu va Cong Luan, 2026) [47]. Counts differ slightly between official releases, which reflects the expiry and renewal of ratings, but the direction is clear.

Occupancy in the tracked three- to five-star panel has risen strongly since the reopening (Fig 1). From 49% in the last quarter of 2022 it reached 76% in the first quarter of 2025 and stood at around 70% in the second quarter of 2026, a level that leaves room for further growth but already implies sustained operating pressure on staff. Peaks are sharper than the averages suggest. During the New Year holiday of 2025, occupancy in four- and five-star hotels and serviced apartments reached about 80% (VnEconomy, 2025) [56].



Source: Savills Vietnam data as reported by VietnamNet (2022, 2023, 2026) [52, 53, 54], VnEconomy (2023, 2025) [55, 56], Viet Nam News (2024) [50] and Hanoi Times (2024) [19]

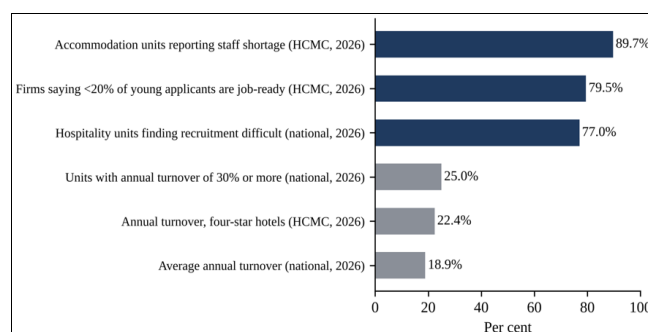
Fig 1: Average occupancy of the three- to five-star hotel panel in Hanoi, Q4/2022 to Q2/2026

The workforce implications of this shift are significant. Five-star properties operate with more outlets, longer service hours and higher service standards than three-star hotels, so each new upscale room requires more staff, more language skills and more supervisory capacity. The last detailed estimate of Hanoi's tourism workforce found that direct employment grew from 57,875 people in 2011 to

90,500 in 2019, about 11% of the national tourism workforce, with a further 207,500 indirect jobs; hotel and restaurant functions accounted for roughly 65% to 70% of tourism employment (State Management Review, n.d.) [45]. In 2022, around 68% of tourism workers in the city had received specialised training and about 35% held a university degree or higher, and the city planned to reach about 130,000 direct tourism workers by 2025 (State Management Review, n.d.) [45]. We found no official post-2019 count of hotel employees in Hanoi, nor any series on hotel wages or turnover for the city. This absence is itself a finding: The city measures its rooms, visitors and receipts in detail every month, but not the people who serve them.

4.2 Domain-by-domain assessment

D1. Employment and retention: The strongest evidence concerns recruitment and turnover, and it is not encouraging. The 2026 Hoteljob.vn survey of 331 hospitality units reported that 77% found recruitment difficult, that annual turnover averaged 18.9%, and that 25% of units had turnover of 30% or more (Nguyen, 2026) [35]. Strikingly, 64% of units needed to hire only a few people and still struggled to do so, which points to a problem of job attractiveness rather than rapid expansion. Asked why staff leave, 31% of respondents cited inadequate income and another 31% cited moves to more attractive occupations. A separate survey presented at a Ho Chi Minh City conference in September 2026 found that 89.7% of accommodation establishments were short of staff and that turnover in four-star hotels reached 22.4%, above the sector average (Thanh Nam, 2026) [46]. Fig 2 brings these indicators together.



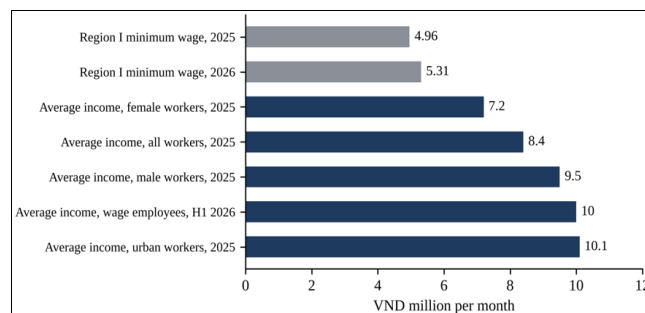
Source: Hoteljob.vn survey of 331 units as reported by Nguyen (2026) [35]; Ho Chi Minh City data as reported by Thanh Nam (2026) [46]. National and Ho Chi Minh City figures are used as benchmarks because no Hanoi-specific series is published

Fig 2: Recruitment and retention indicators for Vietnam's hotel sector, 2026

These figures are national or southern benchmarks, but there are good reasons to expect similar or greater pressure in Hanoi's upscale segment. New five-star openings recruit experienced staff mainly from existing hotels, so each opening creates a wave of internal mobility that falls hardest on four-star properties, which can rarely match the pay and brand appeal of international luxury operators. The pandemic has also left a lasting mark. When Vietnam reopened to international tourism in April 2022, many hotel workers who had moved into other sectors did not return (Industry and Trade Magazine, n.d.) [20]. Hotels in Hanoi therefore operate with a thinner pool of experienced staff than before 2020, at a time of record demand. Practices that could reduce turnover, such as stay interviews, structured onboarding or retention bonuses tied to service length, are reported anecdotally but not measured. No Hanoi hotel outside the international groups was found to publish its turnover rate.

D2. Pay, benefits and social protection: Statutory protection has improved. From 1 January 2026, the monthly minimum wage in Region I, which covers the urban districts of Hanoi, rose from VND 4.96 million to VND 5.31 million, an increase of about 7.1%, and the hourly minimum rose to VND 25,500 (Government, 2025). The Law on Social Insurance 2024, in force since 1 July 2025, lowered the minimum contribution period for a pension from 20 to 15 years, widened mandatory coverage and tightened sanctions on late payment and evasion of contributions (National Assembly, 2024a) [32]. For hotels that rely on casual and part-time labour during peaks, this raises the cost of informal arrangements and strengthens the position of workers on short contracts.

Whether pay is adequate is harder to judge. No official statistic on hotel wages in Hanoi is published. National benchmarks provide context (Fig 3). Average monthly income across all workers was VND 8.4 million in 2025, VND 9.5 million for men, VND 7.2 million for women and VND 10.1 million in urban areas (Lawyers Newspaper, 2026) [28]; in the first half of 2026, wage employees earned VND 10.0 million on average (National Statistics Office, 2026) [34]. Entry-level hotel roles in housekeeping, stewarding and food and beverage service are widely understood to start much closer to the statutory floor than to these averages, and the fact that income is the single most cited reason for leaving (Nguyen, 2026) [35] supports this reading. In many Vietnamese hotels a significant part of take-home pay comes from the pooled service charge, which rises and falls with occupancy and spending. This arrangement links pay to performance, but it also shifts demand risk onto workers and makes income less predictable, a weakness that the pandemic exposed sharply. Housing costs add a further dimension: Industry leaders in Da Nang note that rent near hotel clusters absorbs a large share of entry-level pay (Nguyen, 2026) [35], and comparable pressure can be expected in central Hanoi.



Source: Government (2025); Lawyers Newspaper (2026) [28], citing the National Statistics Office; National Statistics Office (2026) [34]. Grey bars are statutory floors; dark bars are national average incomes

Fig 3: Wage and income benchmarks relevant to hotel employment in Hanoi

D3. Working time, safety and wellbeing: The Labour Code 2019 sets the legal frame for working time, including limits on overtime per month and per year and mandatory rest periods (National Assembly, 2019) [31]. Hotel work is organised around shifts, weekends and public holidays, and Hanoi's demand is increasingly event-driven. Large diplomatic events, national celebrations and festival periods produce short periods of near-full occupancy in the upscale segment, when the same staff must handle more check-ins, banquets and room turnovers. Work pressure appears alongside income and lack of career prospects among the reasons that young workers leave the industry (Thanh Nam, 2026) [46]. However, we found no published data on overtime hours, injury rates, sick leave or psychosocial risk for Hanoi hotels. International brands apply group health and safety systems, but their property-level results are not disclosed. On the available evidence, this domain is the least visible of the six.

D4. Training and career development: This is the domain with the clearest strengths. Hanoi's tourism workforce is relatively well educated by national standards (State Management Review, n.d.) [45], the city hosts many universities and colleges with tourism and hospitality programmes, and international hotel groups operate structured onboarding and in-house academies. Regional frameworks such as the ASEAN Mutual Recognition Arrangement on Tourism Professionals, together with national occupational standards for tourism, provide a common reference for skills. The weaknesses lie in readiness and progression. In the Ho Chi Minh City survey, 79.5% of firms said that fewer than 20% of young applicants could meet job requirements immediately, and most new hires needed one to two additional months of training (Thanh Nam, 2026) [46]. Nearly half of employers in the national survey identified service mindset and attitude as the main weakness of candidates (Nguyen, 2026) [35]. Most seriously, industry leaders describe an acute shortage of supervisors and middle managers, the layer that turns brand

standards into daily practice (Nguyen, 2026) ^[35]. High turnover undermines training at every level, because hotels hesitate to invest in employees who may leave within a year.

D5. Equality, diversity and dignity: Women make up a large share of front-line hotel staff, particularly in housekeeping and service roles. Nationally, the average income of male workers was about 1.3 times that of female workers in 2025 and in the second quarter of 2026 (Lawyers Newspaper, 2026; National Statistics Office, 2026) ^[28, 34]. An earlier ILO toolkit estimated that women in Vietnam's tourism services could earn up to a quarter less than men in the same jobs (ILO, 2012, as cited in Phan, 2021) ^[21, 37]. The legal framework has strengthened: The Labour Code 2019 defines and prohibits sexual harassment at work, and Decree 145/2020/ND-CP requires employers to include rules on its prevention in their internal labour regulations (Government, 2020; National Assembly, 2019 ^[31]). Hotels face a particular form of this risk because harassment can come from guests as well as colleagues, and front-line staff often work alone in rooms or late at night. We found no Hanoi hotel that publishes gender pay data or statistics on harassment complaints, and no evidence of sector-wide guidance on guest harassment.

D6. Voice, labour relations and transparency: The Law on Trade Unions 2024, effective from 1 July 2025, revised the framework for grassroots trade unions and their role in dialogue and collective bargaining (National Assembly, 2024b) ^[33]. There are no public data on union membership or collective agreements in Hanoi's hotels. On transparency, the picture is shaped by ownership. Because few hotel

owners in Hanoi are listed companies, the disclosure requirements of Circular 96/2020/TT-BTC rarely reach individual hotels. International operators publish group sustainability reports aligned with GRI and, for groups listed in the European Union, with ESRS S1, but these reports aggregate data across hundreds of properties and seldom allow any reading for a single city. The result is a classic disclosure-performance gap: Strong statements at group level, little verifiable information at property level (Font *et al.*, 2012) ^[13].

The contrast with the environmental pillar is sharp. Vietnam's Green Lotus label and the ASEAN Green Hotel Standard give hotels a recognised route to environmental certification. Sofitel Legend Metropole Hanoi received the ASEAN Green Hotel Award in 2024 (Vietnam National Authority of Tourism, 2024) ^[51], and five Vietnamese establishments received the award in 2026 (Quang Ninh Provincial Portal, 2026) ^[39]. The ASEAN standard does contain human resource criteria, but they focus mainly on staff environmental training and participation. Hanoi itself has adopted firm environmental measures: From 2026, accommodation establishments and tourist sites are expected to stop using single-use plastic items (Van Hoa, 2025) ^[49], the city's 2026 tourism launch was themed as a green tourism journey, and Hanoi received a sustainable tourism award from the Tourism Promotion Organization for Asia Pacific Cities in 2025 (Enterprise Forum, 2025) ^[11]. No comparable city-level initiative, label or award targets the quality of hotel employment. Table 4 summarises the assessment.

Table 4: Assessment of ESG-S practice in Hanoi's three- to five-star hotels

Domain	What the evidence shows	Grade	Status	Main gap
D1. Employment and retention	Recruitment difficulty for about 77% of units; average turnover 18.9%, one unit in four at 30% or more; post-pandemic outflow not reversed	B	Weak	No Hanoi turnover data; retention practices unmeasured
D2. Pay, benefits and social protection	Higher statutory floor from 2026; stronger social insurance law from 2025; income is the top reason for leaving; service charge makes pay volatile	A/B	Partial	No hotel wage data; pay adequacy and service charge rules not disclosed
D3. Working time, safety and wellbeing	Legal limits exist; event-driven peaks intensify workload; work pressure cited as a reason for exit	A/D	Weak	No data on overtime, injuries or psychosocial risk
D4. Training and career development	Relatively qualified workforce; group academies; regional skill standards; low readiness of young applicants; shortage of middle managers	B/C	Partial	Supervisor pipeline; training lost through turnover
D5. Equality, diversity and dignity	National gender income ratio about 1.3; anti-harassment rules in law; guest harassment risk specific to hotels	A	Weak	No gender pay or complaint data; no guidance on guest harassment
D6. Voice, labour relations and transparency	New trade union law; group-level reporting by international brands; little property-level disclosure; social pillar absent from city green initiatives	A/C	Weak	No property-level social reporting; no social criteria in local labels

Source: Authors' assessment based on the sources in Table 1.

4.3 Differences across segments and ownership types

The aggregate picture hides important differences inside the three- to five-star range. The following patterns are inferred from the market structure and the workforce evidence above and are offered as propositions to be tested in primary research rather than as established facts.

Internationally branded five-star hotels have the most developed HR systems: Written policies on human rights and non-discrimination, structured career ladders, group training platforms and access to transfers within the brand network. Their main vulnerability is concentration of risk at opening, when a new property must recruit hundreds of staff at once and draws experienced people away from competitors. Four-star hotels, many of them domestically

owned, sit in what might be called a squeezed middle. They need staff with near-luxury skills but cannot easily match five-star pay or career prospects, which is consistent with the higher turnover reported for this class in the south (Thanh Nam, 2026) ^[46]. Three-star hotels form a shrinking segment with thinner margins and more informal management. They often function as the first employer for young workers, who then move upward once trained. In this sense the lower tiers subsidise the training of the upper tiers, and the system as a whole underinvests in the skills it most needs.

5. Discussion

The situational analysis points to a growth-fragility paradox.

On the demand side, Hanoi's upscale hotel sector is in one of its strongest periods, with record visitor numbers, rising occupancy and a pipeline dominated by five-star projects. On the supply side of labour, the indicators that matter for human resource sustainability, namely the ability to attract, retain, develop and renew staff, are either weak or unmeasured. The two trends are connected: rapid growth increases demand for experienced staff, intensifies poaching and raises workload during peaks, which in turn feeds turnover. This is the dynamic that Ehnert (2009) ^[9] describes, an organisation consuming its human resource base faster than it can be regenerated, now operating at the level of a city's hotel labour market rather than a single firm. Why does the social pillar lag behind the environmental one? Four explanations are consistent with the evidence. Environmental performance is easier to measure in physical units and is supported by mature certification schemes, whereas social outcomes such as dignity or pay adequacy require judgement and employee input. Environmental measures are visible to guests, from refillable bottles to plastic-free rooms, and therefore carry marketing value, while employment conditions are mostly invisible. Public policy reinforces the difference: the city regulates plastics and promotes green tourism, but treats labour issues as a matter of compliance with national law. Finally, the divergence of ESG ratings on social items (Berg *et al.*, 2022) ^[5] gives hotel owners little external pressure to improve on them. Together these factors produce the green-first pattern observed in Hanoi, which mirrors the broader tendency of hospitality sustainability to focus on the environment (Jones *et al.*, 2014) ^[23].

The analysis also clarifies the relationship between legal compliance and ESG-S. The 2025 and 2026 reforms to the minimum wage and social insurance raise the floor and are important for workers. But a floor is not a strategy. Hotels that pay at the statutory minimum, rely on volatile service charge pools and schedule staff at short notice may be fully compliant and still lose a fifth of their workforce every year. ESG-S, understood through the lens of sustainable HRM, begins where compliance ends: predictable earnings, rosters that protect rest, visible career steps and channels through which employees can raise concerns. These practices are not costless, but turnover is also expensive, through recruitment, lost productivity, training that walks out of the door and inconsistent service quality.

The findings fit the international literature closely. The combination of low pay, demanding hours and limited progression that Kusluvan *et al.* (2010) ^[27] and Baum (2007) ^[2] described is visible in Hanoi, and the pandemic appears to have amplified rather than created these problems, as Baum *et al.* (2020) ^[4] argued. What is distinctive about the Hanoi case is the speed of the up-market shift and the near-total absence of local social data. In mature markets, researchers can at least observe turnover and wages through national statistics; in Hanoi, the most informative figures come from a recruitment platform and conference presentations. The disclosure-performance gap identified by Font *et al.* (2012) ^[13] is therefore compounded by a measurement gap at the level of the destination.

6. Directions for action

The directions below follow from the domain assessment.

They are grouped by actor and are designed to be feasible in a setting where social reporting is voluntary for most hotels.

6.1 For hotels

- Adopt a minimum property-level social indicator set (Table 5) and review it at management level every quarter. Measurement is the precondition for every other improvement, and most of the data already exist in payroll and HR systems.
- Make pay more predictable. Publish internal pay bands for each job family, explain how the service charge is calculated and distributed, and set a guaranteed minimum monthly income that does not depend on occupancy.
- Protect rest during peaks. Plan staffing for known events months in advance, publish rosters with reasonable notice, track overtime by department, and use trained casual pools under proper contracts rather than extending the hours of core staff.
- Build the supervisor pipeline. Identify high-potential staff in their first year, give them a defined path to supervisory roles with matching training, and measure the share of supervisors promoted from within.
- Treat dignity as a service standard. Extend anti-harassment rules explicitly to guest behaviour, give staff a clear procedure and backing when they report incidents, and record complaints and their resolution.
- Address living costs near the workplace through housing allowances, partnerships for staff accommodation or transport support for late shifts.

6.2 For industry associations and training institutions

Industry bodies in Hanoi can create shared goods that individual hotels will not create alone. A common workforce survey run annually, with anonymised reporting of turnover, vacancy and pay ranges by star class, would give the sector the data it now lacks. Training institutions and hotels can jointly redesign internships as staged placements across the years of study, as industry leaders have proposed (Nguyen, 2026) ^[35], and use national and ASEAN occupational standards to create portable skills records that reward workers for completed training when they change employer. Shared supervisory development programmes would allow smaller domestic hotels to grow middle managers without carrying the full cost.

6.3 For the city government

The city has shown that it can move quickly on environmental goals; the same tools can be used for social goals. Three steps are proposed. First, add a small set of labour indicators, such as hotel employment, turnover and average pay by star class, to the monthly or annual tourism statistics. Second, include social and labour criteria in any green or sustainable accommodation scheme that the city promotes, so that a hotel cannot be presented as sustainable while ignoring its workforce. Third, consider recognition mechanisms for hotels with good employment practices and support for worker housing near major hotel clusters, in coordination with national social housing policy. These steps would align Hanoi's tourism development planning for 2026 to 2030 with the decent work principles that Vietnam has endorsed internationally (ILO, 2017) ^[22].

Table 5: Minimum property-level ESG-S indicator set for Hanoi hotels

Domain	Indicator	Reference	Unit	Frequency
D1	Voluntary turnover rate; share of new hires leaving within 12 months	GRI 401-1	%	Quarterly
D2	Lowest monthly base pay relative to Region I minimum wage; share of pay from service charge; social insurance coverage	GRI 202-1; ESRS S1	Ratio; %	Annual
D3	Overtime hours per employee by department; lost-time injuries	GRI 403-9	Hours; rate	Monthly
D4	Training hours per employee; share of supervisors promoted internally	GRI 404-1	Hours; %	Annual
D5	Women in supervisory and management roles; gender pay ratio by job level; harassment complaints and resolution	GRI 405-1, 405-2; GRI 406-1	%; ratio; count	Annual
D6	Existence of a grassroots trade union or dialogue body; employee engagement or grievance survey response	GRI 2-30; GRI 407	Yes/No; %	Annual

Source: Proposed by the authors, drawing on GRI (2016, 2018)^[15, 16] and European Commission (2023)^[12].

7. Conclusion

This paper set out to describe the current state of ESG-S practices toward employees in Hanoi's three- to five-star hotels and to assess what that state means for the sustainability of the hotel workforce. The answer is that the sector's social foundations are weaker than its commercial performance suggests. Demand and upscale supply are growing quickly, and statutory protection for workers improved in 2025 and 2026. Yet recruitment is difficult, turnover is high, pay depends heavily on statutory floors and variable service charges, and the city and most hotels do not measure the social outcomes that would show whether the workforce is being renewed or depleted. Among the six domains assessed, only training and pay show partial strengths; the others are weak, largely because nothing is measured. Sustainability effort in Hanoi's hotel sector has so far been green-first.

Correcting this imbalance does not require a new regulatory system. A short list of indicators, shared sector data and the inclusion of social criteria in existing green tourism initiatives would already change the incentives. The case for doing so is practical as well as ethical: In a service business, the quality that guests pay for is produced by employees, and a workforce that is not renewed cannot sustain a five-star promise.

8. Limitations and future research

The study relies on secondary data. Several workforce indicators are national or come from Ho Chi Minh City and serve only as benchmarks for Hanoi; industry surveys are not probability samples; and the status ratings reflect the authors' judgement, even though the reasoning is stated. The analysis also cannot observe practices that hotels apply but do not report. Future research should collect primary data from Hanoi hotels across star classes and ownership types, combining HR records with employee surveys and interviews with managers. Such work could test the propositions in Section 4.3, quantify the cost of turnover, and examine whether the indicator set in Table 5 is feasible in practice. Longitudinal data would allow later studies to move from description to explanation.

9. References

- Aust I, Matthews B, Muller-Camen M. Common Good HRM: A paradigm shift in sustainable HRM? *Human Resource Management Review*. 2020; 30(3):100705. Doi: <https://doi.org/10.1016/j.hrmr.2019.100705>
- Baum T. Human resources in tourism: Still waiting for change. *Tourism Management*. 2007; 28(6):1383-1399.
- Baum T, Cheung C, Kong H, Kralj A, Mooney S, Nguyen TTH, *et al.* Sustainability and the tourism and hospitality workforce: A thematic analysis. *Sustainability*. 2016; 8(8):809. Doi: <https://doi.org/10.3390/su8080809>
- Baum T, Mooney SKK, Robinson RNS, Solnet D. COVID-19's impact on the hospitality workforce: New crisis or amplification of the norm? *International Journal of Contemporary Hospitality Management*. 2020; 32(9):2813-2829. Doi: <https://doi.org/10.1108/IJCHM-04-2020-0314>
- Berg F, Koelbel JF, Rigobon R. Aggregate confusion: The divergence of ESG ratings. *Review of Finance*. 2022; 26(6):1315-1344. Doi: <https://doi.org/10.1093/rof/rfac033>
- Bowen GA. Document analysis as a qualitative research method. *Qualitative Research Journal*. 2009; 9(2):27-40. Doi: <https://doi.org/10.3316/QRJ0902027>
- Davidson MCG, Wang Y. Sustainable labor practices? Hotel human resource managers views on turnover and skill shortages. *Journal of Human Resources in Hospitality & Tourism*. 2011; 10(3):235-253.
- Deery M, Jago L. Revisiting talent management, work-life balance and retention strategies. *International Journal of Contemporary Hospitality Management*. 2015; 27(3):453-472.
- Ehnert I. Sustainable human resource management: A conceptual and exploratory analysis from a paradox perspective. *Physica-Verlag*. 2009.
- Ehnert I, Parsa S, Roper I, Wagner M, Muller-Camen M. Reporting on sustainability and HRM: A comparative study of sustainability reporting practices by the world's largest companies. *The International Journal of Human Resource Management*. 2016; 27(1):88-108.
- Enterprise Forum. Hanoi affirms its position with the Sustainable Tourism award [in Vietnamese]. September 5, 2025. <https://diendandoanhnghiep.vn>
- European Commission. Commission Delegated Regulation (EU) 2023/2772 supplementing Directive 2013/34/EU as regards sustainability reporting standards. *Official Journal of the European Union*. 2023.
- Font X, Walmsley A, Cogotti S, McCombes L, Hausler N. Corporate social responsibility: The disclosure-performance gap. *Tourism Management*. 2012; 33(6):1544-1553.
- Gillan SL, Koch A, Starks LT. Firms and social responsibility: A review of ESG and CSR research in corporate finance. *Journal of Corporate Finance*. 2021; 66:101889. Doi: <https://doi.org/10.1016/j.jcorpfin.2021.101889>
- Global Reporting Initiative. GRI 401: Employment;

- GRI 402: Labor/Management Relations; GRI 404: Training and Education; GRI 405: Diversity and Equal Opportunity; GRI 406: Non-discrimination; GRI 407: Freedom of Association and Collective Bargaining. GRI, 2016.
16. Global Reporting Initiative. GRI 403: Occupational Health and Safety. GRI, 2018.
 17. Government of Vietnam. Decree No. 145/2020/ND-CP detailing and guiding the implementation of the Labour Code regarding working conditions and labour relations. Hanoi, 2020.
 18. Government of Vietnam. Decree No. 293/2025/ND-CP on minimum wages for employees working under labour contracts. Hanoi, 2025.
 19. Hanoi Times. New international brands diversify Hanoi hotel offerings [Savills Vietnam Q3/2024 data], October, 2024. <https://hanoitimes.vn>
 20. Industry and Trade Magazine. Solutions for training sustainable hotel human resources in the context of integration [in Vietnamese], n.d. <https://tapchicongthuong.vn>
 21. International Labour Organization. Toolkit on poverty reduction through tourism. ILO, 2012.
 22. International Labour Organization. ILO guidelines on decent work and socially responsible tourism. ILO, 2017.
 23. Jones P, Hillier D, Comfort D. Sustainability in the global hotel industry. *International Journal of Contemporary Hospitality Management*. 2014; 26(1):5-17.
 24. Kang KH, Lee S, Huh C. Impacts of positive and negative corporate social responsibility activities on company performance in the hospitality industry. *International Journal of Hospitality Management*. 2010; 29(1):72-82.
 25. Kim YJ, Kim WG, Choi H-M, Phetvaroon K. The effect of green human resource management on hotel employees' eco-friendly behavior and environmental performance. *International Journal of Hospitality Management*. 2019; 76:83-93.
 26. Kramar R. Beyond strategic human resource management: Is sustainable human resource management the next approach? *The International Journal of Human Resource Management*. 2014; 25(8):1069-1089.
 27. Kuslivan S, Kuslivan Z, Ilhan I, Buyruk L. The human dimension: A review of human resources management issues in the tourism and hospitality industry. *Cornell Hospitality Quarterly*. 2010; 51(2):171-214.
 28. Lawyers Newspaper. Average income of workers in 2025 reaches VND 8.4 million per month [in Vietnamese], January 8, 2026. <https://lsvn.vn>
 29. Ministry of Finance. Circular No. 96/2020/TT-BTC guiding information disclosure on the securities market. Hanoi, 2020.
 30. Mooney S, Ryan I, Harris C. The intersections of gender with age and ethnicity in hotel careers: Still the same old privileges? *Gender, Work & Organization*. 2017; 24(4):360-375.
 31. National Assembly of Vietnam. Labour Code No. 45/2019/QH14. Hanoi, 2019.
 32. National Assembly of Vietnam. Law on Social Insurance No. 41/2024/QH15. Hanoi, 2024a.
 33. National Assembly of Vietnam. Law on Trade Unions No. 50/2024/QH15. Hanoi, 2024b.
 34. National Statistics Office. Press release on the labour and employment situation in Quarter II and the first six months of 2026 [in Vietnamese]. Ministry of Finance, 2026. <https://www.nso.gov.vn>
 35. Nguyen DQ. The biggest bottleneck of Da Nang's tourism and hotel industry in a new growth phase [in Vietnamese]. *TheLEADER*, August 28, 2026. <https://theleader.vn>
 36. Nhan Dan. Hanoi aims to welcome nearly 36 million tourists in 2026 [in Vietnamese; republished by Lao Cai Newspaper], 2026. <https://baolaocai.vn>
 37. Phan THG. Identifying characteristics of female workers in tourism activities [in Vietnamese]. *TNU Journal of Science and Technology*, 2021.
 38. Prime Minister of Vietnam. Decision No. 147/QD-TTg approving the Vietnam Tourism Development Strategy to 2030. Hanoi, 2020.
 39. Quang Ninh Provincial Portal. Legacy Yen Tu - MGallery receives ASEAN Green Hotel Award 2026, January 30, 2026. <https://www.quangninh.gov.vn>
 40. Rhou Y, Singal M. A review of the business case for CSR in the hospitality industry. *International Journal of Hospitality Management*. 2020; 84:102330. Doi: <https://doi.org/10.1016/j.ijhm.2019.102330>
 41. Robinson RNS, Baum T, Golubovskaya M, Solnet DJ, Callan V. Applying endosymbiosis theory: Tourism and its young workers. *Annals of Tourism Research*. 2019; 78:102751.
 42. Santero-Sanchez R, Segovia-Perez M, Castro-Nunez B, Figueroa-Domecq C, Talon-Ballesteros P. Gender differences in the hospitality industry: A job quality index. *Tourism Management*. 2015; 51:234-246.
 43. Savills Vietnam. Viet Nam real estate market brief Q1/2025. Savills, 2025a.
 44. Savills Vietnam. Viet Nam real estate market brief Q2/2025. Savills, 2025b.
 45. State Management Review. Developing tourism human resources in Hanoi [in Vietnamese], n.d. <https://www.quanlynhanuoc.vn>
 46. Thanh Nam. Hotel workforce in Ho Chi Minh City: Short of people and short of people who can do the job [in Vietnamese]. *The World & Vietnam Report*, September 11, 2026. <https://baoquocte.vn>
 47. Thuong Hieu va Cong Luan. Hanoi tourism ready for the 2026 Lunar New Year peak; Green tourism opens new growth for Hanoi [in Vietnamese], 2026. <https://thuonghieucongluan.com.vn>
 48. UN Global Compact. Who cares wins: Connecting financial markets to a changing world. United Nations, 2004.
 49. Van Hoa. Attracting visitors with green tourism [in Vietnamese], 2025. <https://baovanhoa.vn>
 50. Viet Nam News. Ha Noi sees improved performance in hospitality market, 2024. <https://vietnamnews.vn>
 51. Vietnam National Authority of Tourism. ASEAN Tourism Awards 2024 honours 25 Vietnamese localities and units, 2024. <https://ats.vietnamtourism.gov.vn>
 52. VietnamNet. Hotels in Hanoi still attract guests despite price hikes [in Vietnamese; Savills Q4/2022 data], 2022. <https://vietnamnet.vn>
 53. VietnamNet. Hanoi's hotel market recovering a year after border reopening, 2023. <https://vietnamnet.vn/en>
 54. VietnamNet. Hanoi hotels seek new sources of demand

- amid rising arrivals, September 24, 2026.
<https://vietnamnet.vn/en>
55. VnEconomy. Hanoi's accommodation market welcomes international brands, 2023. <https://en.vneconomy.vn>
56. VnEconomy. Hanoi tourism expects a breakthrough with high-end visitors; Hanoi hotel market posts good performance in Q1 [in Vietnamese and English], 2025. <https://vneconomy.vn>
57. Winchenbach A, Hanna P, Miller G. Rethinking decent work: The value of dignity in tourism employment. *Journal of Sustainable Tourism*. 2019; 27(7):1026-1043.