Article

The Elusive Search for Talent: Skill Gaps in the Canadian Luxury Hotel Sector

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Abstract: The luxury segment of the hospitality sector has been growing worldwide. Luxury hospitality is about providing a unique experience for guests, and this type of experience requires having employees who understand the luxury culture and are trained at the highest level. Luxury hotels compete for the best talents, but the current pool of candidates for customer-facing and managerial positions within these establishments is limited. The purpose of this study was to identify skill gaps in Canada’s luxury hotels. Primary data were collected from in-depth semi-structured interviews with twenty luxury hotel managers and analyzed with NVivo 12. Respondents agreed about the skills required for brands to succeed in the luxury market, but they lamented the lack of qualified talents and the difficulty of training and retaining qualified collaborators. The results of the study point to the need to address the luxury skill gap in the hospitality sector, particularly in Canada. Recommendations to address this problem are proposed.

Keywords: hospitality; hotel; luxury; labor gap; skill gap; talent management; service quality; training; luxury experiences

1. Introduction

Luxury hotels make people dream; they are the epitome of hospitality at the highest level. They earn their reputation with superior facilities and flawlessly executed service designed to deliver memorable customer experiences. Those experiences are personally curated depending on the guest’s preferences, interests, and purpose of stay. Hotels serve the primary functional purpose of providing the facilities required to make travel comfortable [1]. Luxury hospitality has progressed this notion since its invention in the 19th century by César Ritz [2], and the sector has since become an outlet through which travelers dream of and fantasize about other lifestyles [3]. It has been acknowledged that “accommodation more than any other component, will influence the sort of industry a destination will develop” [4]. This is to say that, if effectively established, the creation of supply sparks the demand of luxury visitors to a destination. For example, Cannes and Monaco can attract the rich and famous only because they have enough luxury hotel rooms to supply.

Canada has experienced a large growth in hotel property development in recent years. Hotel investment across the country hit a record-setting level in 2016, with more than $4 billion in hotel transactions, according to the commercial real estate services company CBRE. In particular, the luxury hospitality sector saw major developments within the past 10 years in Toronto. In that period, well-known hotel brands such as Shangri-La, Ritz-Carlton, and St. Regis appeared in the city, and a new flagship Four Seasons Hotel opened. In addition, the Park Hyatt reopened in Fall 2021. The city is catching up, responding to a growing demand for luxury services in hospitality and tourism, as well as in retail, driven by the immigration of high-net worth individuals to Canada [5], settling mostly in the Toronto area, and by the growing reputation of Toronto as a world destination. It
is apparent when observing the state of the luxury sector that, in comparison to Canada and North America at large, destinations within Europe, Asia, and the Middle East are more renowned for having a highly refined sense of luxury service in hospitality [6]. One of the most common characteristics that differentiate luxury hotels from other hospitality establishments is the high level of personalized service [7]. Luxury hospitality is about providing a unique experience for guests, and this type of experience requires employees who understand the luxury culture and are trained at the highest level. Luxury hotels compete not only for clients but for the best talents. However, the current pool of candidates in Canada for customer-facing and managerial positions within these establishments is limited. Not only is there no school with a strong focus on luxury service training in the country, but there is a well-documented hospitality labor gap in Canada [8,9], which has deepened with the COVID-19 pandemic. As a result, there is growing anecdotal evidence that Toronto and Canada lack qualified professionals in the luxury sector, from hospitality (many luxury hotel general managers are not Canadian) to retail and other services.

The purpose of the study was to explore the current labor gap issue in the Canadian luxury hotel sector. More specifically, this qualitative study investigates the perspectives of luxury hotel managers in Canada with regard to the state of luxury hospitality and the skills and competences needed to succeed in a luxury environment.

2. Literature Review

Luxury in hospitality has been the object of a number of studies focusing on luxury guests (e.g., [10]), hotel managers (e.g., [11]), or both (e.g., [12]), but overall, it remains a relatively understudied topic in the literature, in particular with respect to luxury hospitality talent management [13].

2.1. Defining Luxury

Phau and Prendergast [14] proposed that a competitive luxury brand “evokes exclusivity, has a well-known brand identity, enjoys high brand awareness and perceived quality, and retains sales levels and customer loyalty” (pp. 123–124). Luxury has long been associated with terms such as affluence, enjoyment, and extravagance. Though a clear-cut definition of luxury has long been up for debate, experts have agreed on the idea that luxury is evolving and that it is now more about experiencing “luxury moments” (p. 491) than about owning mass-marketed luxury objects. Though luxury products and experiences were once status symbols available only to the very wealthy, luxury brands are now becoming increasingly sought after by mass markets [15,16]. This growth in the demand for luxury has sparked an increase in research on what the luxury customer looks for and how the industry is adapting to the changing desires of that customer [17]. Luxury products are diversifying, technological advancements have enabled more personalized service delivery, express service is making its way into several luxury sectors, and experiential marketing is being used to increase consumer connection with luxury brands [18]. As the industry grows and becomes increasingly competitive, the demand for capable collaborators is also growing.

Luxury, whether in hospitality or other sectors, involves building a relationship with customers that inspires their trust in order to better anticipate and cater to their needs. Research has shown that in the market of luxury goods and services, it is very important that the customer be able to personally connect with the brand. Atwal and Williams [19] argued a shift in the relationship between the luxury supplier and customer from a transactional relationship to a holistic experience. When it comes to purchasing luxury goods, Dubois and Duquesne [20] suggested that the acquisition of such goods can be a symbolic representation of a customer’s extended self-personality and an act of hedonic consumption. The same could be said about high-involvement luxury leisure activities, such as vacations or weekend getaways, which can be defined as symbolic consumption [21]. From a service perspective, those with hedonic aspirations have been shown to favor high levels of service that one would find in luxury service establishments such as restaurants [22].
Brands are responding to these changes through a stronger focus on experiential marketing. Atwal and Williams [15] pointed to the importance of creating a dialogue with consumers and having a high level of interactivity between the service provider and its customers. From a marketing perspective, this means that the brand must communicate in a way that welcomes this interaction by providing a clear representation of its values and uniqueness.

Luxury is an evolving concept, but there seems to be growing acceptance towards considering luxury as an experience to be lived rather than as something tangible to be had or owned [23,24]. The key to the quality of those experiences is often the human interaction that takes place, often with employees. It is the people within these luxury establishments that provide the high caliber of service that denotes a luxury experience. Nowhere is this truer than in the hospitality sector. In addressing luxury, the research literature has typically been more interested in understanding luxury brands and the luxury consumer experience. It has rarely shown interest in employees, despite the essential role they play in representing the brand and delivering value to customers.

2.2. Luxury Hospitality

Hotels serve a very practical purpose for most travelers; to provide travel accommodations is their functional value. However, the luxury hotel sector surpasses this need for simple accommodations and possible amenities and has inspired travelers’ aspirations and fantasies of other lifestyles [3]; that is their emotional value. In luxury hospitality, the guest experience revolves heavily around effective customer relationship management (CRM), which involves having thorough knowledge of the guest, being able to anticipate their needs, and providing a harmonious blend between the tangible and, more importantly, intangible aspects of the stay [25]. One of the most common characteristics that differentiate luxury hotels from other hospitality establishments is the high level of personalized service [7,26,27]. Meticulous attention to detail that assures guests that they are being taken care of and hospitality professionals’ warmth and eagerness to serve are what spark an emotional connection of trust from guests. Barsky and Nash [28] addressed the importance of this emotional connection to customer loyalty and how “emotions at a hotel may be triggered by a positive (or negative) encounter with an employee or another guest”. Kanadampully and Hu [29] further stated that “if customers perceive that the firm is truly service oriented, it will have the power to enhance customers’ perception of the firm’s image and gain their loyalty”. The top factors contributing to customer loyalty in hospitality are the hotel’s image (which could be equated to the value proposition), value for price, and customer satisfaction in regard to both the tangible (i.e., housekeeping and food and beverage), and intangible (i.e., service and reception) aspects of the stay [30]. By being service-oriented, luxury hotels can enhance guests’ experiences by having hotel staff anticipate their needs and cater to them with seamless execution.

The tangible aspect of a luxury hotel stay, referring to the physical product made available to guests and the aesthetics of the hotel, is also critical for delivering valuable experiences; “consumers have increasingly demanded greater value for money, accompanied with demands for high levels of service and facilities. This has forced operators, particularly those in the luxury category, to become increasingly similar to each other in terms of the facilities they offer” [11]. With an ever-evolving market, having amenities such as free Wi-Fi, a fitness center, or even a spa have become standard. The way to differentiate the brand is by providing exquisite and personalized service that makes the guest feel valued when staying in a hotel they trust. According to Ali and Amin [31], an attractive physical environment should result in customers’ positive emotions, which should enhance customer satisfaction.

It is important for guests staying in luxury hotels to find a superior level of detail and attention to their preferences. There is a psychological need to be met by intangible and situational experiences and a functional need to be satisfied by the quality of utilities and facilities offered [32]. By staying in a luxury hotel, guests expect to be more than simply made comfortable by the products and services offered. This means that upon arrival, not
only does the front desk address them by name, but the room is customized with their pillow of preference, and the fridge is stocked with their favorite beverage. The process of building customer loyalty strategically in hospitality involves having effective upward communication, which relies on an efficient frontline and CRM system as well as having managers that prioritize time on the floor talking to guests and observing the interactions between employees and guests [33].

2.3. Required vs. Taught Skills in Luxury Hospitality

In a service-oriented sector, it is important for the people of all levels and positions, from front-of-house to supervisory and managerial roles, to work effectively with the guest’s needs in mind. The correct employee attitude is essential to high-quality service encounters and customer interactions [34]. A common difficulty in the hospitality sector is finding and training employees who are a good fit for the technical and human skills that are required to engage customers [35] in a value co-creation process [36]. Sherman [27] indicated that flawless service with a high level of personal attention to the guest is a marker of luxury hospitality and that the idea of personalized service is always changing. Employees are required to perform at their best and to show high levels of emotional intelligence. The ability of hospitality professionals to conceal their true feelings in order to perform well at work was investigated by Pizam [37]: “hospitality employees are particularly vulnerable to a demand for emotional labor, because their jobs generally require maintaining a friendly and positive disposition even in situations that normally elicit negative emotional reactions such as impatient, demanding or irate customers, hectic work pace, etc.” Huang et al. [38] added that a reason why employee turnover is so high in luxury hotels could be the lack of adequate emotional intelligence among existing staff and job candidates. Therefore, because of the stressful demands of the sector, it can be difficult to find people who are capable of performing such emotional labor while also being a good fit to work in an environment with such high expectations. If the technical aspect of the job can be taught relatively easily, it is much more difficult to train for and teach that human dimension of luxury service. Such human dimension skills are much sought after. As the saying goes in the hotel sector, “we hire for attitude... and we can teach everything else”.

An important characteristic of luxury hospitality professionals is their commitment to the brand’s core values and their ability to exemplify these values through interactions with the guests. “Employees must be committed to demonstrating the brand values (as expressed by top management) each time a customer interacts with the brand” [39]. In a recent study, Marinakou and Giousmpasoglou [13] reviewed the talent management literature and addressed talent retention strategies in luxury hotels within the United States, the United Kingdom, Australia, and Greece. Employee commitment can be encouraged through positive guidance and motivation by their supervisors and managers. For supervisors and managers to effectively manage their team, employee empowerment is a leadership philosophy and strategy that is frequently discussed as an effective way of increasing employee morale and improving quality of service [40–42]. Employee empowerment entails giving frontline employees the autonomy to make decisions on the spot to either add or recover value to the guest experience. The overall guest experience can expand by tenfold when the employees are able to provide the guests an unforgettable experience through small gestures and extraordinary services. To improve the guest experience, it is important that employees be self-motivated and feel empowered to work hard to provide the best service they can; “specifically, it is intended that through empowerment employees will be more committed to successful service encounters and will have the necessary discretion and autonomy to do whatever is needed to ‘delight the customer’” [43]. According to Bowen and Lawler [44], the benefits of employee empowerment are quicker responses during service delivery and service recovery. When employees are empowered, they feel better about their jobs and themselves and interact with customers with more warmth and enthusiasm. Employee empowerment must start with effective and transformative leadership. Within a luxury hotel context, Patiar and Mia [45] observed that transformative
leadership is positively associated with overall nonfinancial and financial hotel performance. A supportive and empowering work environment encourages positive employee brand-building behavior, which then translates into a positive brand image for guests [46].

2.4. Identifying Gaps

McColl-Kennedy and White [47] studied the service delivery gap between service provider training and customer expectations. The recommendations for service providers drawn from this research were to provide ongoing training for service staff, encouraging creativity in service delivery and allowing flexibility. In summary, reinforcement of service standards and employee empowerment are critical elements for service success within luxury hotels. From an educational perspective, there may be some evidence of a gap between what hospitality students are taught and what is truly valued by the industry [48]. Industry managers value interpersonal, problem-solving, and self-management skills, discounting the conceptual and analytical abilities of students despite their undergoing of technical and conceptual curriculums [48]. On the other hand, experts have long suggested that hospitality education programs are becoming more focused on general business management as opposed to addressing the needs of the hospitality industry, and so a refocusing of curricula is necessary [49,50]. There are benefits to broader understanding of business, as it enables hospitality students to gain more transferable skills. However, providing academic opportunities to learn about niche sectors of the industry, such as luxury, could be beneficial for sector performance and graduate employability, as it would generate a more qualified candidate pool. Although a higher education in hospitality has been shown to have a positive effect on organizational commitment [51], personality, soft skills, and applicable experience remain of the utmost importance for the hiring of hospitality professionals.

Being a successful luxury hospitality professional requires having the ability to build meaningful relationships with guests, to use guest knowledge to anticipate and satisfy guest needs, and to do so with flawless execution and a positive and engaging attitude. Three dimensions need to be exercised: (1) the professional dimension (i.e., the technical how), (2) the human dimension (i.e., social skills and emotional intelligence), and (3) the aesthetic dimension (i.e., beauty and elegance). To meet the standards of the brand, and to exceed the expectations of guests, a certain type of personality paired with a specialized professional skill set is required. By identifying skill gaps in the luxury hospitality sector and addressing the needs of the industry, this study offers insights that can help enhance hospitality training and education programs and guide hoteliers in recruiting efforts.

3. Methodology

The purpose of this study, in the context of luxury hotel managers in Canada, is three-fold: (1) to understand the skills that are necessary to work in luxury hospitality, (2) to determine the skill gaps in the luxury hospitality sector of a large North American city, and (3) to suggest how to fill those gaps.

3.1. Research Approach

Because of the exploratory nature of this research, this study utilized a qualitative research approach to collect data. Interviews have been used to investigate luxury hospitality in previous studies, gathering perspectives from luxury guests [10], hotel managers [11], or both [12]. An interview has been described as “a conversation with purpose” [52]. Interviews help researchers to achieve an understanding of the problem and give them the flexibility to manage the interview process with probing questions [53]. Using a semi-structured interview format, including a set of questions but also allowing for probing questions to naturally arise out of the conversation, is a common qualitative practice [54,55].

For this study, the objective of conducting the interviews was to identify the labor and skill gaps in luxury hospitality establishments in Toronto, the fifth-largest metropolitan area in North America and the leading Canadian urban destination. Toronto specifically
was selected as the site of study because of its popularity as a Canadian urban destination and because it has recently become home to luxury hotel brands such as Shangri-La, Ritz-Carlton, and St. Regis. The researchers aimed to document the difficulties that hoteliers may have in recruiting qualified staff that have specific training and an understanding of the luxury market. A phenomenological approach was used to gather an understanding of the lived experiences of participants [56,57]. This approach was utilized because of the belief that asking participants to recount their personal experiences and practices in their professional lives would provoke thoughtful insights about whether they have encountered skill gaps and how they have responded or would respond to these challenges in the workplace.

A set of open-ended questions (Appendix A) was devised for an interview guide and categorized into three themes: (1) defining luxury, (2), the establishment, and (3) gap identification. Interview questions were designed by combining the learnings from conducting the literature review with input from academic and industry experts. Unscripted probing questions were then used to gain a more holistic understanding of the responses from participants.

3.2. Population and Sampling

To respond to the objectives of the study, a purposive sample of luxury and upper-upscale hotel managers were selected. The sample of this study consisted of hiring managers across various departments and levels of seniority to ensure that the researchers could accurately pinpoint which skill gaps, if any, were shared across the group. Seventeen luxury hotels were initially identified based on industry analyst STR’s classification of hotels in Toronto. The Four Seasons, the Ritz-Carlton, the Shangri-La, and the St. Regis were in the luxury category. Other hotels from the “upper-upscale” category were included. From those hotels, 43 luxury hotel managers, directors, and executives were identified and then contacted through email with an introductory message. The respondents, considered to be experts in the domain, were general managers, assistant hotel managers, hotel managers, sales and marketing managers, food and beverage managers, room managers, front desk managers, or human resource managers. In this initial email, the purpose of the study was explained, and the managers were asked whether they would like to participate in a face-to-face interview that would last from 30 to 60 min. Out of this purposive sample of 43 managers, the researchers were able to complete interviews with 20 luxury hotel managers and directors, 14 of whom worked for hotels in the “luxury” category. The non-respondents either declined to participate, were not able to agree on a mutually convenient time, or had to cancel a scheduled appointment at the last minute. After completing 18 interviews, the researchers felt that data saturation had been reached [58]. In other words, no significant new information was collected from respondents [59]. However, two more interviews were still conducted to solidify the finding that data saturation had been reached, resulting in a total of 20 respondents.

To maintain confidentiality, respondents are referred to throughout the study as Participant 1, 2, 3, etc. A summary of the number of participants per department can be found in Appendix B. Fourteen out of the twenty respondents assented to be audio recorded for accuracy and transcription. These transcriptions and the interviewer notes for the remaining six interviews were then used for analysis.

3.3. Coding

To start the coding process, the data were organized by question in order to create a structure and have overarching themes to aid in identifying and sorting results. An inductive approach to coding was used to maintain the integrity of participants’ individual responses, as opposed to attempting to prove or disprove preconceived theories [11,60]. A constant comparative methodology was the technique used throughout the manual coding process, whereby codes were repeatedly revised to the point where there were no new identifiable themes [61,62]. This method was used to develop concepts from the data
by coding and analyzing simultaneously [63]. Themes proposed in the literature, such as the emphasis on personalized and anticipatory service defining a luxury experience, were grounded by the participants’ responses. To ensure validity, the identified themes were compared to the original responses by participants and then discussed with academic experts. The research findings are presented and discussed in the following section.

4. Results

Although using numerical data in reporting qualitative studies has often been controversial [64], the researchers chose to illustrate some of the results with tables indicating the frequency of mentions for the themes that were identified. Certainly, numbers “can’t replace the actual description of evidence but (they) can provide a supplementary type of support for the conclusions”. Sandelowski [65] ironically reported the myth that qualitative researchers cannot count before stating that “counting is integral to the analysis process, especially to the recognition of patterns”. Onwuegbuzie [66] proposed using manifest effect sizes by calculating the numbers of statements that contributed to the identified themes to measure “the degree to which the data support the themes” [67]. Consequently, the researchers provided the number of respondents who brought up each of the themes that were identified in the interviews.

Respondents agreed about the skills that were required from their employees for the brands to succeed in the luxury market. Most said that personalized service excellence was an integral component of what separated luxury from other sectors of the hospitality industry. However, they all lamented the lack of qualified talents and the difficulty of training and retaining qualified collaborators. About three-quarters of respondents addressed their difficulties in hiring capable candidates for a range of departments, from entry-level to managerial roles, indicating that there is an overall shortage of “luxury talent” in the city and the country.

The findings, below, are outlined in the following order: defining luxury, particularly in the case of Toronto and Canada; the difficulty in hiring suitable personnel; and the identification of gaps.

4.1. Defining Luxury

The first area of inquiry was to identify how the respondents would personally define luxury. Although there were obvious commonalities among the responses due to the fact that the participants all worked in luxury hotels, their varied experiences, perspectives, and areas of specialty offered a range of perspectives. Most answers revolved around the high level of service and the overall quality of the guest experience (Table 1).

Table 1. Defining luxury.

<table>
<thead>
<tr>
<th>Code</th>
<th>Number of Participants (n = 20)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service &gt; product</td>
<td>10</td>
</tr>
<tr>
<td>Luxury is evolving</td>
<td>10</td>
</tr>
<tr>
<td>Luxury is a feeling</td>
<td>10</td>
</tr>
<tr>
<td>“Guests do not have to think”</td>
<td>7</td>
</tr>
<tr>
<td>Blend of product and service (tangible and intangible)</td>
<td>6</td>
</tr>
</tbody>
</table>

*Service > Product.* Most participants explicitly mentioned that service in a luxury hotel took precedence over any tangible factor. Answers typically consisted of “personalized” and “anticipatory” service, as well as “exceeding expectations.” Participant 10 divulged, “It’s understanding your guest, that individual, but having a genuine connection with them. Because I really think today, that’s what’s most memorable. It’s easy to have chandeliers in your hotel and marble floors and a fine dining restaurant, anybody can do that with money. What we really focus on is filling the building with the true meaning of luxury and that’s the human connection to create those memorable experiences”.

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Luxury is Evolving. More than half of participants had a difficult time identifying a singular definition for luxury because, as they explained, luxury is ever-changing. Participants pointed out that traditionally, luxury was very exclusive and about status. However, luxury is increasingly accessible, and what constitutes luxury is different today than yesterday. When discussing the definition of luxury, Participant 16 pointed out, “I think luxury has a lot of definitions. And I think that definition is changing quite a bit away from luxury being something that was as a status, and now I find it to be very much so an idea”.

Luxury is a Feeling. Many respondents spoke to the subjectivity of luxury. One person’s definition of luxury can be completely different from another’s. In summary, participants emphasized that luxury is a feeling or emotional state. Participant 7 explained the different things that people may consider to be luxury: “The issue with luxury is that it’s very individual. Time and wealth are luxury, but refinement of things is also luxury”.

Guests do not have to think. This notion relates to the anticipatory nature of luxury service. Several participants defined luxury as being able to step onto the property and not have to ask questions or worry about what comes next because the service employees have already delivered with the answers. This also relates to the sense of ease referred to in “luxury is a feeling.” When Participant 9 was talking about how they defined luxury, their response was, “Not needing to have to enquire or to worry or to do anything outside of being here for the purpose of being here. Whether it’s personal, professional, leisure, work trip, while you’re here you can be here to maximize what your business purpose is or your personal purpose is. We make the decisions for you”.

Blend of Product and Service (Tangible & Intangible). Though many participants pointed out that luxury lay in flawless service, the tangible aspects remained important. The fine quality of the products, the aesthetics of the hotel, and the attention to detail in every space were characteristics that all contributed to making a luxury hotel. Participant 4 explained, “Generally speaking, I think luxury is both things: products and services. If one or the other side isn’t involved, there is no sense of luxury”.

4.2. Luxury in Toronto and Canada

Participants were asked to identify how Toronto and Canada compared to other destinations in regard to their luxury service, attitude, and culture. The majority of respondents explicitly spoke to other destinations being on a higher level in terms of efficiency, technique, and having a more service-oriented culture. However, many participants highlighted that Canada and Toronto have potential to grow in this sector. Table 2, below, summarizes the most common themes related to this question.

Table 2. Luxury in Toronto/Canada.

<table>
<thead>
<tr>
<th>Code</th>
<th>Number of Participants (n = 20)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other destinations better than Canada</td>
<td>13</td>
</tr>
<tr>
<td>Canadian culture clashes with luxury</td>
<td>10</td>
</tr>
<tr>
<td>Toronto is developing its luxury identity</td>
<td>8</td>
</tr>
<tr>
<td>Comparison to other cultures</td>
<td>7</td>
</tr>
<tr>
<td>Aspirational guests</td>
<td>3</td>
</tr>
<tr>
<td>Smaller employee-to-guest ratio</td>
<td>5</td>
</tr>
</tbody>
</table>

Other destinations are better than Canada. Approximately two-thirds of participants said that other destinations did luxury better than Canada. Specifically, participants referred to properties in Europe and Asia. When discussing the comparison of Canada and Toronto to other destinations around the world, Participant 3 expressed: “North America can learn from what’s happening in Asia. What they are doing in the Mandarin Oriental, what they are doing at the Shangri-La in Asia, what they are doing at the Four Seasons. From a food and beverage standpoint, why are there Michelin stars in Europe and Asia Pacific but they don’t have Michelin stars here in Canada? Because they have a standard of luxury over
there. Not to put us down but compared to those countries and continents, we’re still a little bit behind”.

*Canadian culture clashes with luxury.* Half of participants specifically mentioned that luxury did not align with Canadian culture. Commonly identified reasons for this were the more casual and humble nature of Canadians, Canadian hesitance to luxury and excess, and the reluctance of Canadians to make the commitment needed to grow in a luxury hotel. Participant 3 spoke of their personal experience coming to Canada to become a general manager: “Are the Canadians ready to pick up their bags every two years and go? If you want to become a general manager, you need to be able to say, ‘I’m going’ . . . so, I don’t know many Canadians as general managers”.

*Toronto is developing its luxury identity.* Many participants discussed the potential that Toronto has as a luxury destination and used the major developments in luxury hospitality, and luxury in other industries, within the past decade. When answering the question of how Toronto compares to other destinations, Participant 14 said, “There’s now a separation of luxury here in the city, which five years ago did not exist. Before all the new luxury hotels were built, the products weren’t luxury, they didn’t compare. We know that we now have great products that can be recognized globally as luxury products and the brands backing up which the brands existed before, but the level wasn’t, the bar wasn’t set very high in Toronto for luxury. I think that’s all changed”.

*Comparison to other cultures.* Participants discussed their own experiences working in other countries and how their experiences compared to their current positions in Toronto. During the interviews, Participant 7 made a globally encompassing statement about what the strengths in luxury were for different geographical regions: “Go to Asia for culture, Middle East for opulence, Europe for technique, and North America for business”.

*Aspirational guests.* Customers at these luxury Toronto hotels were identified mostly as repeat guests, assumedly wealthy; however, aspirational guests, those who saved for a while or celebrated an occasion, were also mentioned as part of the city’s luxury clientele. Participant 18 explained, “We have a lot of repeat guests, but we also have a lot of clients who are coming that have been saving out for this like, this is a really special occasion. They’re spending a lot of money to come here for a very special time, right? And their expectations are high”.

*Employee-to-guest ratio.* Compared to other places around the world, participants pointed out that there are fewer hotel employees per guest in Toronto. The result of this is that it is less possible to have people providing the same level of attention and support in Toronto as other places because of the sheer size of their teams. The three participants who pointed this out used Asia as the main example for having high numbers of employees per guest. Participant 14 said, “Asia has a market of its own. I think they just have a very attentive approach to hospitality, and it’s done in different ways . . . The approach may be that the staff ratio is five to one”.

### 4.3. Difficulty Hiring Suitable Personnel

In regard to identifiable gaps, most participants expressed having difficulty hiring. Table 3 highlights what participants spoke about when addressing their hard time hiring and what factors may affect their ability to find the right personnel for their property.

*Confirmation of difficulty hiring.* Almost all participants admitted to having difficulties hiring within their hotel due either to structural inevitabilities or the labor market. When asked to elaborate which position may be the hardest to hire for, the answers varied greatly from entry-level to managerial, front-of-house and back-of-house, and in almost every department. Participant 16 lamented, “I mean looking for the right colleagues is always—is always a challenge.” However, most responses pertained to difficulty filling leadership positions within hotels. For example, Participant 13 explained, “There isn’t enough talent when it comes to leadership so as to understand that [managing in a luxury property]”.


Table 3. Difficulty hiring suitable personnel.

<table>
<thead>
<tr>
<th>Code</th>
<th>Number of Participants (n = 20)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirmation of difficulty hiring</td>
<td>15</td>
</tr>
<tr>
<td>Applicable gaps to luxury sectors outside hospitality</td>
<td>7</td>
</tr>
<tr>
<td>Inadequate candidate pool</td>
<td>6</td>
</tr>
<tr>
<td>Competition to hire among luxury brands</td>
<td>6</td>
</tr>
<tr>
<td>Job requirements (i.e., long hours, open on holidays)</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
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<tr>
<td>Hiring abroad</td>
<td>4</td>
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</tbody>
</table>

Applicable gaps to luxury sectors outside hospitality. Though all participants had a hospitality background, they were asked whether they could see the challenges they faced when recruiting also being issues applicable to other industries within the luxury sector, for example, finance, transportation, retail, etc. A third of participants said that gaps in luxury hospitality could be issues in other sectors. Participant 1 answered, “I think if you work in hospitality your skills are transferable so if we have the same issues in here, I’m sure it’s going to be the same issues there”.

Inadequate candidate pool. Despite recent growth, participants identified that luxury being still new to Canada and Toronto means that the labor market has not been able to catch up with the growing need for luxury professionals. Participant 3 compared Toronto to New York City when saying, “I think Toronto has so much more potential and it will need to come, but it takes time. But it’s a very small concept, and I think we all know they don’t have as much talent. In New York, it’s like, hey, I have 100 hotels that I can grab talent from. Here we happen to have not as many”.

Competition to hire among luxury brands. Because of the reason above, in addition to not having many people with adequate training and luxury service skills, there is the obstacle of competing against other luxury brands. Participants admitted to competing not only with other hospitality properties but with luxury establishments in other sectors. For example, Participant 13 stated, “We compete. We lost a bunch of people to Apple. It’s okay really. So, from the previous property where I was, I lost about three managers to Apple. They got store managers and things. They loved it and they fit right in”.

Job requirements as barriers. Several participants confirmed that working in hospitality is physically and emotionally demanding. This poses a barrier for recruitment, as, for example, the idea of working on one’s feet for long hours is not appealing. Participant 14 shared, “It’s finding that balance with someone with the changing work preferences and how hospitality is never going to be a work from home business that is only because it has to be hands-on and it’s always going to be 24/7”.

Hiring Abroad. The challenges of hiring locally have pushed Toronto’s luxury hotels to look across borders and overseas to find suitable candidates for managerial positions. One example of this was that several of the interviewed managers were originally from abroad. However, the value of the Canadian dollar and immigration processes also pose barriers for hiring abroad. When discussing their challenges finding talent locally, Participant 5 said, “They [Canadian candidates] might be good at what they know of, but not really knowing what luxury hotel operation is. Therefore, this brings us to really consider hiring senior managers outside of Canada. But hiring managers outside of Canada is not easy... not many professionals would consider coming into Toronto... The taxes are very high, the cost of living in Toronto is high, and the winter in Canada is too long”.

4.4. Gap Identification

Table 4 lists the identified skill gaps. These traits build up what participants identified as their “ideal candidate”; however, they are not often found when recruiting.
Table 4. Identified gaps and ideal candidate criteria.

<table>
<thead>
<tr>
<th>Code</th>
<th>Number of Participants (n = 20)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to provide personalized service</td>
<td>15</td>
</tr>
<tr>
<td>Emotional intelligence (i.e., empathy and compassion)</td>
<td>12</td>
</tr>
<tr>
<td>Ability to provide anticipatory service</td>
<td>11</td>
</tr>
<tr>
<td>Creativity</td>
<td>10</td>
</tr>
<tr>
<td>Professional presentation and communication</td>
<td>10</td>
</tr>
<tr>
<td>Aesthetic awareness</td>
<td>8</td>
</tr>
</tbody>
</table>

**Ability to provide personalized service.** Providing personalized service, catering to the individual needs of guests, is a crucial component of the luxury hotel experience. Finding the right people to deliver these experiences was expressed by participants as difficult when recruiting. The majority of participants identified this as a skill for ideal candidates, but also as an area that needs improvement. When discussing skill gaps, Participant 10 stated, “I think the gaps that are sitting, from what I’ve observed, are really that personalized interaction. Because when you walk into a store, really, it’s a transaction, right? But it shouldn’t feel like a transaction, you should feel pampered, indulged, special, an individual in that whole experience and it’s up to them to create that”.

**Emotional intelligence.** Emotional intelligence, encompassing empathy and compassion, was commonly stated by participants as a trait they look for when recruiting talent. Participants explained that this is a necessary quality for forming guest relationships, providing high level service, asking the right questions, and finding appropriate solutions for guests. Participant 11 said, “That’s a hard one to train for. I’m sure it can be coached and developed for sure, helping people become less concerned about their own outcome and more concerned about the outcome of someone else”.

**Ability to provide anticipatory service.** The ability to provide anticipatory service, utilizing one’s emotional intelligence to surprise and delight guests, was identified as an important skill when recruiting. However, it is a quality that is difficult to find in Toronto. Participant 15 shared, “There is a bit of a gap in terms of being able to anticipate guests’ needs and to be able to recognize the opportunities”.

**Creativity.** Participants discussed creativity in service and problem resolution as an area that can be improved upon. Participants shared their experiences of going truly above and beyond for guests to ensure their satisfaction with their stay. However, some people may struggle with this element of creativity to find solutions for guests’ problems. Participant 7 explained, “The objective is to provide the highest service. There are levels to service: First, guests’ expectations, and second, the real potential, which is a higher service and harder to achieve . . . The city doesn’t have that idea to achieve the potential to wow guests”.

**Professional presentation and communication.** Several managers indicated that the way people present themselves in their manner of professional dress, posture, attitude, and way of communicating played a key part in identifying their fit for the company. When discussing the expectations of luxury service, Participant 2 explained: “It is not a transactional conversation. It is ‘Please allow me . . . ’ you know, ‘May I show you?’ It is not ‘Can I do this for you?’ That is not luxury. So there is certain verbiage that works well with a luxury consumer”.

**Aesthetic awareness.** As high-quality products and tangible aspects of a guest’s stay were identified as critical to the luxury hotel experience, an understanding of fine products was identified by participants as a necessity for luxury service training. Participants mentioned fine, handmade napkins in the hotel restaurants, the weight of a doorknob, the positioning of things in a room, etc. Participant 11 proposed the term “aesthetic awareness”: “My suggestion would be that it [luxury service training] needs to instill aesthetic awareness. Why would this dress be more important than one that she’s wearing over there... How
was that gown created? What was the motivation for it? Educating people to understand that is important. What is the process? That is what defines you”.

5. Discussion

The objective of the study was to identify the needs of luxury hospitality establishments in Canada with regard to training and hiring qualified staff. In regard to identifiable gaps, over three-quarters of the participants expressed having difficulty hiring for desired skills. The pandemic situation increased this difficulty further, with hospitality managers complaining that they lack employees and that “they can’t be too choosy” with those they hire. Every participant could name some specific skill gaps they had noticed within their hotel or service. The main areas where participants felt, as luxury hospitality leaders, that there was not sufficient talent to meet their establishments’ needs were the ability to provide personalized and anticipatory service and emotional intelligence.

Canada’s luxury sector is still young and developing, but having skilled staff is essential for hotels to gain the needed international recognition that can only be obtained by getting the coveted four- or five-star rating from Forbes Travel Guide. The talent gap is real, according to the managers, and it is a barrier to gaining international recognition and a threat to the reputation of the hotels and the brands. The results of the study support the researchers’ a priori concern that a luxury skill gap exists and the (rare) extant literature that points to the difficulty of hiring and retaining qualified employees in the luxury service sector.

In a country, Canada, where the number of hospitality management schools is relatively small, and where a luxury culture remains quite limited, this luxury skill gap has become a significant threat for hotel managers, who continue to struggle to hire the necessary talent and to operate their establishment at high standards. If they cannot hire the talent they need, hoteliers must invest in employee training and foster ad hoc employee development strategies with a focus on cultural intelligence [68]. The situation was aggravated by the pandemic, and this talent crisis requires rethinking the hotel business model and putting greater value on human capital. Hoteliers know what they need, and they should invest more time and money in training programs and demand a return on this training investment [69].

5.1. Theoretical and Practical Implications

Talent management (TM) is a relatively recent field of study that has been defined as “the activities and processes that involve the systematic attraction, identification, development, engagement, retention, and deployment of talent that is valuable within an organization” [70]. The talent crisis that was identified in this study confirms the need to better address, from a practical as well as a research perspective, the issues related to fostering, hiring, growing, and retaining talent in the luxury sector and how TM relates to the success of organizations and to client satisfaction. This study follows, in the context of Canada, the work of Marinakou and Giousmpasoglou [13].

This study confirmed previous research that highlighted the factors and skills that make luxury hospitality different. Identifying and managing skill gaps is essential to Canadian luxury hospitality businesses. Hotel groups, as well as national or provincial professional associations, should collaborate to put forward a collective response to this issue. Canada has relied mostly on immigration to fill the tourism and hospitality talent gap; it is clearly not enough [71]. A national strategy designed to attract, train, and educate local young talents in colleges and universities for luxury hospitality careers is needed.

If TM and its impact on quality are of crucial importance for Canadian hotels, they should also be a strategic issue for the country. In a broader sense, the skill gap is also a threat to a destination’s overall competitiveness [72], and the difficulties that tourism professionals are experiencing to recruit talent and manage quality, compounded by the pandemic, are detrimental to the image of Toronto and Canada. Luxury businesses, no matter the industry, can provide high service quality and satisfy discriminant customers
only if they recruit and further train young talents with potential. This remains a difficult challenge that is not limited to hospitality, as the retail sector faces similar concerns [73].

Certainly, trade schools and higher education programs have to play a role in developing courses and fostering a culture that helps students understand and acquire the skills that are needed to be successful in a luxury work environment. The pandemic and the resulting struggles that the tourism sector has faced in attracting and retaining workers have accentuated the skill gap problem in Canada. This issue will require fundamental changes in the way Canada addresses labor issues [71], and it may take years for this problem to be solved.

5.2. Limitations and Future Research

The scope of the study was limited to Canada and Toronto. We suggest, however, that the skills issues that were addressed in this article are present in other countries and destinations that do not have strong luxury traditions. Another limitation was the urban study setting. Large, urban areas probably provide more opportunities to find and train talent. Future studies could replicate this research in rural settings, where hiring and retaining talent may even be more difficult.

The topic of skills and TM in hospitality should be further investigated from a competitiveness perspective [70]. Future research should investigate, on the one hand, how multinational hotel companies use internal training and international mobility strategies to fill skill gaps, and on the other hand, how independent hotels attract and train managers and workers. The role of colleges and universities could also be investigated, since they are normally the main purveyors of talent. Finally, future research should include front-line employees to assess their perceptions of the skill issue and to compare their perspective with that of the operational managers.

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Institutional Review Board Statement: The study was conducted according to the guidelines of the Declaration of Helsinki and approved by the Institutional Review Board (or Ethics Committee) of Ryerson University (code REB 2018-390; 3 December 2018).

Informed Consent Statement: Informed consent was obtained from all subjects involved in the study.

Data Availability Statement: Data are kept at the Institute for Hospitality and Tourism Research at the Ted Rogers School of Management, Ryerson University.

Conflicts of Interest: The authors declare no conflict of interest.

Appendix A. Interview Questions

Theme 1: Defining Luxury

1. How do you define luxury in general?
2. How does Canada/Toronto compare to other destinations in North America, Europe, and Asia with respect to luxury attitude/service/culture?

Theme 2: The Establishment

3. What defines luxury in your establishment?
4. What does it mean for the employee–guest relation? How do you manage that relation?
5. What strategies do you use to increase employee retention? How do you empower employees?
Theme 3: Gap Identification

6. What are specific service (and training) gaps that you can identify in your organization? Are those gaps at front-line/supervision/management levels?
7. Are those gaps specific to your property/brand? Are they common in other sectors (i.e., retail, financial services, transportation, etc.)?
8. What do these gaps mean in terms of employee training? Do you have specific training needs? What are your training strategies?
9. What is the ideal luxury service employee for you? How would you select them? What skills do you look for?

Appendix B. Participant Department of Leadership Summary

<table>
<thead>
<tr>
<th>Department of Leadership</th>
<th>Number of Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Managers and Operations Managers</td>
<td>8</td>
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<tr>
<td>Food and Beverage</td>
<td>3</td>
</tr>
<tr>
<td>Sales and Marketing</td>
<td>3</td>
</tr>
<tr>
<td>Human Resources</td>
<td>3</td>
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<td>Rooms</td>
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</tr>
<tr>
<td>Front Office</td>
<td>1</td>
</tr>
<tr>
<td>Business and Development</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20</strong></td>
</tr>
</tbody>
</table>

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