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Evolution or Extinction? Leadership through Innovation in a Time of Crisis

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Special Edition: COVID-19 Crisis



The spread of the COVID-19 pandemic has been accelerated by congregation and travel. By “congregation,” I mean humans gathering to interact in shared, physical space, and, by “travel” I mean that customers traditionally go to a hospitality business to receive their desired service. Our industry has historically depended on both congregation and travel in its service offerings.

Due to COVID-19, the hospitality business context has changed rapidly and dramatically, and we are already seeing early adaptations that range from downsizing, to mitigation, to capitalization. For example: both restaurants and hotels have cut costs by reducing operations and laying off workers; some hotels are offering reduced room rates to re-incentivize travel; and many restaurants have increased takeout services given the risks of congregation.

We do not know how this crisis will resolve. It could be that our world goes back to normal and our industry returns to business as usual. Or, it could be things worsen indefinitely and a complete overhaul of the hospitality business is required. Perhaps several months from now, we may find ourselves somewhere in between. If the answer is anything but the first option, adaptation will be the name of the game.

How can leaders leverage what the hospitality industry values and already does extremely well, so they can creatively apply those beliefs and skills to this chaotic, unfolding situation? Which deeply held assumptions might be worth questioning to maximize hospitality organizations’ ability to adapt to changing times?

This article invites hospitality leaders to explore a reflective method of problem-solving, inspired by the Immunity to Change method ([Kegan & Lahey, 2001](#)), which is a structured self-inquiry process useful for adaptive work.

To best serve hospitality leaders in this shifting context, I suggest that they walk through the following steps to generate new ideas:

- 1) Descriptively **define the context** (i.e., the situation, or the qualities of the specific problem at hand)
- 2) Identify a **core value** held by their organization
- 3) Think about what **easy solutions** exist that align with that core value
- 4) When there are not easy solutions, reflect on what **underlying assumptions** their business holds about that core value (relative to how business is done)
- 5) Imagine shifting the underlying assumptions in Step 4, to **innovate practical solutions**

To demonstrate this process, I have set-up Step 1 as a hypothetical in the next paragraph, and then I provide an example table that lays out Steps 2-5 so this process can be workable. By doing this, I hope this article may invite hospitality leaders to think differently about the times ahead, and what the challenges ahead mean for their businesses. And away we go . . .

As a thought experiment, let's assume the worst for the hospitality industry, and imagine a new context (perhaps the version of a world affected by the COVID-19 pandemic for several months) that presents the following two trends that may sustain in direct response to our inability to congregate and travel: **social distancing** and **staying local**. Assume for a moment that people remain mostly home-bound for their work and life activities, and that they start to live off their own land, to build small tribes with their neighbors, and to self-organize into networks of neighborhoods. Let's examine the problem from the perspective of restaurant owners, who will now need to learn to thrive in the new context where their customers are now social distancing and staying local. Consider: What might operating a restaurant look like under these conditions?

As you let your imagination roam, you'll see that a restaurant offering an in-person dining experience that now must operate within a context of social distancing and staying local is what leadership scholar and practitioner Ronald Heifetz would call a highly *adaptive problem*, which is the kind of problem that can only be solved by shifting assumptions and applying new learning ([Heifetz, 1994](#)). Adaptive problems are different from technical problems, which can be solved with existing knowledge and easy fixes ([Heifetz, 1994](#)). Restaurants that have recently shifted their business to provide high volumes of takeout food have found a technical solution to these changing times, so we will analyze that business decision in the table below.

Read the table from left to right. Start with the core hospitality value in the first column (Step 2), then look to its enactment in the new context in the second column (Step 3). Much of that is technical, and we are already seeing it from some restaurants. Then move to the third column (Step 4), which generates an assumption underlying that core

value we started with in the first column. Perhaps there are multiple assumptions underlying a core value; that is possible and likely. Finally, the fourth column (Step 5) creatively answers the question: if the underlying assumption(s) were shifted, what could the enactment of the core value then look like in practice?

TABLE: Example for a Restaurant Shifting its Business to Food Takeout Service:

Step 2: Core Value	Step 3: Enactment in New Context, Easy Solutions	Step 4: Underlying assumption that could be shifted in this new context?	Step 5: If assumption is shifted, then what could it look like in practice?
<i>Creating pleasant and memorable experiences</i>	Easy and fast ordering. Timely delivery. Food is hot upon arrival. Food is delicious.	Customers must be on-site, experiencing our ambience and interacting with our servers, to have a very memorable experience.	Adding personal touches to takeout orders that do not rely on physical human interaction. Adding “surprise factors” to meals (maybe: a small baking soda volcano). Drone-based delivery with portable video avatars.
<i>Welcoming strangers and engaging with them as friends</i>	Inviting anyone to order from us. Answering phone calls and orders cheerfully. Making friendly conversation in customer interactions.	It is the role of the individual customer to physically come to us.	Now it is our role to physically come to the customer, and to build positive relationships with small neighborhoods. Develop efficient delivery systems to geographically expand our service delivery reach. Pop-up food trucks in local neighborhoods.
<i>Conserving the environment, operating sustainably</i>	Packing food orders efficiently. Minimizing the use of plastics. Choosing biodegradable packaging. Not using Styrofoam products.	It is best to deliver food to customers by packaging meals in small containers as soon as it leaves our restaurant.	Trucks with cauldrons of food travel to customers’ homes and, upon arrival, scoop the ordered portions of food directly onto households’ existing dishes. Coordinating reusable dishes with a cleaning service between households and our restaurant.

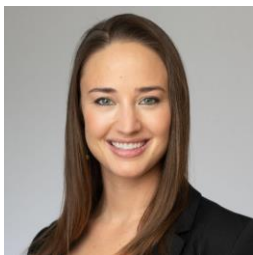
I encourage you to use this method in your own way, to support the reflective processing you are already applying to the segment of the hospitality industry you work within. Fair warning: if you do this exercise correctly and deeply, the ideas in the far-right column in your table will be “out there,” and that is the objective.

Overall, hospitality will not need to change its core values that define it as an industry. Rather, it will need to *re-envision how enacting its core values* will happen in this changing context. This kind of visioning work is much more challenging when it calls for shifting assumptions underlying its core values, but that is the seed of true innovation.

Sources:

Heifetz, R. A. (1994). *Leadership without easy answers* (Vol. 465). Harvard University Press.

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Dr. Taylor Peyton uses her 14+ years of collaborative academic and practical experience in leadership, industrial/organizational psychology and entrepreneurship to work with the hearts and minds of employees. Working to connect research and practice, she advocates for using research-based techniques to help people develop into their best selves so they can be well, peacefully and highly effective at work. Over the last 12 years, Taylor has taught several undergraduate and graduate level classes for The University of San Diego and San Diego State University, on subjects including human resource management, statistics, program evaluation, and research methods. Through her work with Valencore, she also has significant experience facilitating leadership and soft-skills workshops for executives, entrepreneurs, and their teams. Professor Peyton has presented over 40 academic research studies, organized research symposia, and/or volunteered on committees for ILA, SIOP, AHRD, European Association for Work and Organizational Psychology, International Conference on Self-Determination Theory, West Coast Nonprofit Data Conference, Association for Research on Nonprofit Organizations and Voluntary Action, International Society for Third-Sector Research, International Society for the Psychoanalytic Study of Organizations, and Academy of Management.