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## **Global Organizational Strategy: A Framework for Leading Hospitality in Times of Crisis**

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## About the Author



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## Global Organizational Strategy: A Framework for Leading Hospitality in Times of Crisis



### Introduction

In today's unprecedented global business environment, many leaders are having difficulty managing people and companies. Perhaps this is due to us overthinking what leadership is and making it more difficult than it should be. Broadly speaking, leadership refers to the ability or process of motivating a group of individuals to act towards achieving a shared goal. So how does one lead and lead well? Must one possess some innate ability to be a leader?

As it turns out, to effectively lead, we need a trait that we can all learn, and that is humility. Kahneman (2021) and Akerlof and Shiller (2010) have all noted that "humility," not "intelligence/cognition," is the most important dimension of leadership. Humility allows us to see our work as "a work in progress," which results in us being willing to receive feedback, to be corrected, to be innovative, and to be better. The Covid-19 pandemic has humbled all of us, showing us how quickly everything can change, turning our lives upside down. Yet, have we been humbled enough to manage the magnitude of the crisis we face ahead; humbled enough to entirely change the way we think and operate our businesses?

Are we truly considering this pandemic a permanent part of everyday life? The consensus among world leaders is that Covid-19 will impact our organizations for the next 10 years (World Economic Forum, 2021). Are we prepared to innovate like never before? Do we have the perspective, mindset, skills, tools, and resources to lead effectively?

Humility is the starting point required to change our organizational strategies so that we may commit education, time, and money for the purpose of examining and applying novel approaches and solutions to today's challenges. Most importantly, humility will force us to examine our own behaviors and responses; revisit how things have always been done; and think about how we can do things better. In hospitality, this means we must shift from the traditional "command-and-control corporate communication" management approach to a more connected, conversational, and flexible approach to leadership.

Every organization in hospitality across the globe is dealing with similar strategic challenges caused by Covid-19. Groysberg and Slind (2017) present a framework arguing in favor of a more conversational style of organizational communication, which can be used for the application of humility. This framework can assist us in dealing with the new challenges brought on by the pandemic, helping us embrace a new and more flexible style of leadership. Their framework consists of the four "I's" – intimacy, interactivity, inclusion, and intentionality – which can help us reinforce humility within our strategies. Let's dive into three specific challenges: uncertainty of travel patterns, financial impact, and staffing and examine how the four "I's" can offer us a lens for growth.

### **Uncertainty of Travel Patterns**

One of the top strategic challenges for the hospitality industry is the uncertainty of travel patterns, referred to as travel risk perception. As a result of the pandemic, many unofficial communications created confusion for travelers, making it difficult for them to determine whether they needed to cancel their trip or not. In response, many major brands stepped up to the plate to determine better cancellation policies that reflected the ever-changing risk perception due to Covid-19. As the pandemic impacted different parts of the world, in different ways, hospitality organizations presented a softer and more humble policy approach to their customers.

During a time when there is so much uncertainty, organizations must communicate with a level of **intimacy**, showcasing a direct and personal tone rather than the traditional

corporate tone. This modification improves the trust and authenticity with which organizations deliver messages of delays and cancellations, and reflects an aspect of humility that is essential in the current environment. Examples include frequent text messages that notify customers of delayed flights as well as flights that are on time. Another example is a chat service that allows customers to connect with representatives without speaking to automated voice messages for hours. Post-pandemic, establishing trust has become the single most essential element for consumer travel risk perception. When leaders communicate with intimacy, they demonstrate that they care about their customers and employees, and this in turn helps in reducing the sting of uncertainty when traveling.

## **Financial Impact**

Transportation and travel industries were most severely hit as global tourism fell to almost zero through 2020, however, certain segments of our industry slowly began opening in Q2 and Q3 of 2021 as more people received access to the vaccine. As a solution, the U.S. government has introduced stimulus packages worth more than \$6 trillion (Dam, 2020).

The wall between demand and supply seems to be coming down, known as “cessation,” not a “recession,” and lenders have played the role of humanitarians by offering forbearance under qualified circumstances. While short-term lodging has suffered, the extended-stay segment is enjoying a much faster recovery as the sector shifts its focus to a model where employees are able to combine a business trip with a vacation or “Bleasure,” thus allowing them to remotely work from their destination. Stakeholders in the hospitality sector are cautiously optimistic that 2019 levels of revenues and EBITDA will be reached by 2024.

Here we consider the combination of business trips and vacations to be a form of **interactivity** that will encourage employees to speak with colleagues in small and cohesive work environments. For example, ACCOR, a major hospitality chain operating in Germany, has responded to a shortfall in corporate clients by renting out hotel rooms as temporary workspaces. This blurring of the line between business and personal leisure is an example of a new hotel market segment that has emerged during the pandemic. ACCOR has stated that it has used this new corporate policy to increase its interactivity with local companies and office workers, as opposed to corporate clients flying in from remote locations (Restle, 2022).

During times of financial uncertainty, in which employees can lose faith in business models due to a perceived lack of communication or miscommunication, business leaders must also show that they are able to use the appropriate channels to communicate and must try and avoid the old model of broadcasting messages through print media, memos, emails, etc., and consider speaking with the employees verbally. A more **inclusive** form of communication—that is, one in which all stakeholders are encouraged to participate—will foster a culture of back-and-forth and face-to-face interaction that will facilitate two-way communication.

It is worth noting that, while every leader is talking about inclusion in a different context, here we refer to inclusion as it relates to the development of organizational content. Businesses can encourage employees to participate in new hospitality trends that arise during difficult times, thus improving their own leadership stature while endorsing positive financial impacts for the sector.

## **Staffing**

The pandemic has caused airlines to ground their fleets; hotels, casinos, and restaurants have shut down; events and conferences have either been canceled or postponed. As a result, industry operators are facing the harsh reality of lay-offs and bankruptcies (Baum & Hai, 2020; Gossling et al., 2020). The crisis has created a highly uncertain future, forcing managers to redefine the nature of their relationship with staff members.

While there are times that leaders have no choice but to reduce their staffing levels, they do have a choice about their messaging on the issue throughout the management of an ongoing challenge. This is why **intentionality** is so important. It is where the leader explains their communication with a clear agenda, so employees can take part in creating strategy via specially designed communication vehicles. While some leaders have already been communicating intentionally, those who do not are at risk of fragmenting their message during its delivery. This type of direction constitutes a paradigm shift in thinking about leadership and a clear departure from the conventional wisdom or the classical paradigm: leaders must relinquish a measure of control so employees can actively participate in organizational messaging. Doing so has been linked to higher staff retention during times of crisis (Haywood, 2020).

## **Conclusion**

The tourism industry, untenable in the absence of core elements such as safety, security, stability, and free movement, is vulnerable to incidents of various economic, political, and social instabilities, natural catastrophes, and pandemics (Israeli et al., 2011). Covid and the ensuing pandemic caused deep disruption to more than operations; it forced, in many cases, leaders to rethink their leadership styles.

The first step in adapting one's leadership style begins with humility. Leadership needs to mobilize and provide their team with responsiveness and actions that engage and involve the employees' heads, hands, and hearts by integrating these four elements: intimacy, interactivity, inclusion, and intentionality. Above all else, change in traditional corporate tones and ways of doing business begins with leaders engaging with their employees as people first, and not viewing themselves, or their employees, only through the narrow lens of their distinct roles within the organization.

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