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A Critical Discussion of the COVID-19 Pandemic on Transformability of Resources in the Hotel Industry*

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Abstract

Drawing on the transformative learning theory and focus group discussions, this study investigates the transformation of organizational resources in the hotel industry facing numerous challenges with the advent of the COVID-19 pandemic. This paper identifies three basic internal resources of hotel organizations, namely, physical resources, human resources, and financial resources, which should be transformed because of the detrimental influences of the recent pandemic and proposes ten components under these three transformed resources. These components display how hotel practitioners reacted to the pandemic by transforming their organizations into the new normal. Using these transformative reactions, this study develops a conceptual framework, which proposes a new attribute "transformability" for the resources. This research makes a contribution to fulfil a knowledge void by investigating the context of the pandemic in which an urgent need for a transformative approach and expansion of resource attributes emerged. The hotel transformation framework provides a conceptual foundation for further investigation and calls more research for redesigning and managing transformative practices.

Keywords: Transformation, transformative learning, organizational resources, COVID-19.

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INTRODUCTION

Humanity has recently been experiencing a new pandemic, which appeared in the Wuhan city, China in December 2019. Several scholars have claimed that it is the most severe and influential pandemic in this century affecting all countries (Alonso, Kok, Bressan, O'Shea, Sakellarios, Koresis, & Santoni, 2020; Altınay & Arici, 2021). Recent research investigating the effects of the COVID-19 reports that almost all of the world's population were at home and self-isolated (Altınay & Arici, 2021; Gössling, Scott, & Hall, 2020) and many countries have still applied travel restrictions. Specifically, in the hospitality industry it is indicated that the occupancy rate declined by at least 50% in comparison to the last year in approximately all countries (Altınay & Arici, 2021; Hall, Scott, & Gössling, 2020). Gössling et al. (2020) suggested that the key of the situation is not to go back to 'normal' after the pandemic, indeed we need to see it as an opportunity to transform the global tourism system in to the 'new normal'.

With the advent of this pandemic, a new concept has appeared into our life, social distancing, which will remain a fundamental strategy to mitigate the speed of the virus in many countries and industries including tourism and hospitality (Gössling et al., 2020). This means that majority of tourism activities, including package tours, concerts, and conferences have been restricted, it could be anticipated that many hospitality firms would have challenges recovering particularly as hospitality job mostly requires direct exchanges between employees and guests (Altınay & Arici, 2021). To be successful in the face of such a challenge, hospitality organizations have to develop novel, accessible and satisfying tourist experiences ensuring memorable souvenirs, while at the same time assuring that the preservation of health, hygiene, self-isolation, and social distancing are improved (Sönmez, Apostolopoulos, Lemke, & Hsieh, 2020). In the new normal, these challenges have not only restricted our daily life, but also entail creating new ways to provide expected services to customers.

Since hospitality industry is among the most affected sectors by the pandemic due to the nonpharmaceutical interventions, including lock-down and self-isolation (Goscé, Phillips, Spinola, Gupta, & Abubakar, 2020), and the spread of this pandemic on an international scale is dominated by travel (Hall et al., 2020), hospitality scholars put more emphasis on the effects of the pandemic, and its long-term implications. In this sense, the COVID-19 could be considered as an opportunity to transform organizational resources into the new normal, as pandemics have had a transformational impact on the community (Hall et al., 2020). The transformational

process enables an individual to become "someone" different and requires a positive change in "attitude, performance, characteristics or some other fundamental personal dimension" (Pine & Gilmore 1999, cited in Gelter, 2010, p. 48). Research suggests that transformation is an inherent outcome of necessitating novel avenues of problem solving, experiencing new stimuli, improving associations, confronting novel cultures or dismantling of core beliefs (Wolf, Ainsworth, & Crowley, 2017). In this respect, there are invitations to examine managerial implications or models, which contribute to the improvement of important and proper transformative experiences (Soulard, McGehee, & Stern, 2019). Regarding this approach, the current literature could raise questions of whether the coronavirus pandemic is a transformative agent for hospitality managers and how organizational resources could be transformed to cope with the exceptional situation while concentrating on the wants and expectations of the customers. According to Barney (1991), organizational resources consist of assets, capabilities, procedures, organization character, and knowledge executed by an organization in order to conduct strategies for higher firm efficiency. These resources should be valuable, rare, inimitable, and unsubstitutable to obtain sustained competitive advantage.

To date, most studies have explored transformative learning from the viewpoint of tourists (e.g., Pung, Gnoth, & Del Chiappa, 2020; Wolf et al., 2017), scarce study has investigated it from the viewpoint of tourism professionals (e.g., Soulard et al., 2019), but hospitality practitioners' transformative experiences about organizational resources have been surprisingly not received adequate attention from the scholars yet. Reconsidering organizational resources and their attributes in the new normal would be meaningful. Thus, this study aims to discuss the transformational role of the pandemic on organizational resources and specifically how to transform the attributes of these resources in the post-viral era. Comparing transformed organizational resources from two different countries is also vital to expand the knowledge on the transformational effects of the pandemic. Thus, this study conducted focus group discussions with 20 hotel managers from Turkey and 16 hotel managers from Germany to explore how they transformed their resources and a framework identifying organizational resources and their attributes in the new normal has been proposed.

LITERATURE REVIEW and THEORETICAL BACKGROUND

The transformative learning theory of Mezirow (1991) clarifies a shift in people's knowledge, feeling, thinking, idea, and comprehension. According to this

theory, individuals get a coherent body of experience – relationships, idea, perception, values, senses, and conditioned responses – frames of reference, which describes their world (Mezirow, 1997). Frames of reference refer to the forms of suppositions through which people perceived their world. They form and restrain our knowledge, understanding, sense, feelings, and expectations; and designate our actions. This theory suggests that according to our assumptions, we automatically change our activity. We are more likely to refuse opinions, views, and plans, which cannot suit to our perception (Mezirow, 1991). That is, transformative approach consists of getting a comprehensive perception of the world, improving unique knowledge and skills (Mezirow, 1991; Pearce & Foster, 2007).

Transformational learning appears if people start to mirror on past viewpoints and via quick or progressive procedure begin to acknowledge that these past inclinations limited their comprehending of existing experiences (Elkins, 2003). Hence, these individuals start to alter their inclinations to better mirror the process of these novel circumstantial experiences.

The work of Mezirow (1991) provides unique opportunities for practitioners to follow the guideline provided by the transformative learning theory to develop new and dynamic remedies that serve the transformational needs of the contemporary managers and leaders.

The theory of transformational learning appears to suggest some insight on how to deal with organizational change by developing key competencies in those leaders asked to facilitate organizational change. The key traits listed in transformational theory can easily change into competencies that can be developed as managerial competencies and be of value in the development of organizational resources: the ability to think critically and objectively in order to reflect on previous behaviors, the ability to collaborate with others and build consensus regarding the meaning of individual reflections, and the ability to create action plans for transforming firm resources. Overall, transformative skill improvement could consist of a wide gamut of physical and mental abilities, including industrial proficiency, cross-cultural knowledge, capacity, crisis management, tolerance, and social abilities (Kirillova, Lehto, & Cai, 2017; Knollenberg, McGehee, Boley, & Clemmons, 2014; Noy, 2004).

Transformative Learning and Organizational Resources

From the organizational perspective, transformative learning of Mezirow could help managers alter the way to understand themselves, organization resources,

their potential for transformation, and outcomes. It changes cognitive, emotional, and behavioral routines of perceiving and interpreting the effects of new conditions. As a result, managers are able to have new priorities and ways of thinking and doing.

Parks Daloz (2000) suggests that transforming organizational resources requires that managers are able to “open up” the mindset of the organization and to become aware of and act upon more effective choices that translate into an optimal future. Organizational resources can be used as strong way to realize strategies (Porter, 1981). These resources can be categorized under three dimensions: physical capital, human capital resources and organizational capital resources (Barney, 1991). According to the resource-based view, firms should concentrate on their “valuable,” “rare,” “inimitable,” and “unsubstitutable” resources to get sustained competitive advantage (Barney, 1991, 2001). The resource-based model suggested that the resources must be firstly “valuable” to be able to exploit opportunities and minimize threats. To develop sustained competitive advantage, these resources have to possess additional features. If resources are not implemented simultaneously by large numbers of other organizations, then a company can get the advantage in the market. Therefore, these resources should be also “rare”. However, valuable and rare organizational resources could only be sources of competitive advantage when companies which do not have these resources could not get them. Hence, the third attribute of these resources should be “inimitability”. The final requirement of resources to be a source of sustained advantage is that there should be no strategically equivalent valuable resources which are themselves either not rare or imitable. That is, those resources and competencies should not be easily substituted by competitors (Barney, 1991). Although these resources and their attributes have been investigated by numerous studies and confirmed their utility in obtaining sustained competitive advantage in the market, the recent pandemic has questioned the firm resources and their attributes’ applicability in the new normal. In other words, the pandemic forces scholars to reconsider approaches and theories previously accepted and transform their implications into the post pandemic world.

Drawing on the theoretical guideline of transformative learning, this study endeavors to answer how to transform organizational resources and their attributes into post viral era. This study, thus, fills a knowledge gap by clarifying specifically how transformative hospitality managers create action plans for transforming their organizational resources across devastating impacts of the coronavirus

pandemic. While this paper considers the vitality of comprehending and consisting of the voice of every stakeholder including employees and acknowledging the particular characteristics of tourists, it concentrates on hotel managers' understanding of the pandemic and their transformative reactions as they have a crucial role in managing their organizations during such an exceptional time.

METHOD

To reveal the transformed resources of hotel organizations after the COVID-19 pandemic, a series of focus group discussions were performed on managers of three- four- and five-star hotel organizations from Turkey and Germany. The author started to plan and organize data collection process in December 2019. Using convenience and snowball sampling techniques, 39 hotel managers from Turkey, 26 managers from Germany were contacted to invite to the focus group discussions. A total of 36 managers accepted to participate in focus group discussions leading to a response rate of 55.38 %. We performed a total of 9 focus group discussions via virtual meetings. To be able to mitigate bias, focus group discussions with 20 Turkish and 16 German hotel managers were performed separately. That is, a different focus group discussion was performed for each country's hotel managers. From the 20 Turkish participants, 14 were department managers, 4 were assistant general managers and 2 were general managers. As for the 16 German focus group participants, 12 were department managers and 4 were assistant general managers (see Table 1).

Table 1. Demographic profiles of focus group participants

n	Acronym	Position	Gender
1	GA1	Department manager	Male
2	GA2	Department manager	Male
3	GA3	Department manager	Male
4	GB1	Asst. gen. manager	Female
5	GB2	Department manager	Male
6	GB3	Asst. gen. manager	Female
7	GB4	Department manager	Female
8	GB5	Department manager	Male
9	GC1	Department manager	Female
10	GC2	Department manager	Male
11	GC3	Asst. gen. manager	Male
12	GC4	Asst. gen. manager	Female
13	GD1	Department manager	Male
14	GD2	Department manager	Female
15	GD3	Department manager	Female
16	GD4	Department manager	Male
17	TE1	Asst. gen. manager	Male
18	TE2	Department manager	Male
19	TE3	Department manager	Male
20	TE4	Department manager	Male
21	TF1	General manager	Male
22	TF2	Department manager	Male
23	TF3	Department manager	Male
24	TF4	Department manager	Male
25	TF5	Department manager	Female
26	TG1	Asst. gen. manager	Male
27	TG2	Department manager	Male
28	TG3	Department manager	Male
29	TG4	Department manager	Male
30	TH1	Department manager	Male
31	TH2	Department manager	Female
32	TH3	Department manager	Male
33	TH4	Asst. gen. manager	Male
34	TI1	Department manager	Male
35	TI2	Asst. gen. manager	Male
36	TI3	General manager	Male

Note: Acronym denotes participants' country and focus group. For example, GA: German participant from group A; TE: Turkish participant from group E.

The ethical and deontological necessities inherent to a scholarly work were respected in the study's tools and process.

Questions of focus group discussions should be inductive and naturalistic (Krueger, 1994). Hence, unlike quantitative research, this study did not use strict and a priori method. The focus group discussions involve a series of questions, aimed to direct participating managers to focus on the devastating impacts of the coronavirus pandemic. The participating hotel managers were asked whether they took the challenges into consideration from distinctive vantage points, and how they transformed their organizational resources (i.e., physical, human, and financial resources) to cope with such impacts for a long-time period. Because efficient focus group discussions highlight perspectives in relation to a specific issue (Bojlen & Lunde, 1995), the interview questions

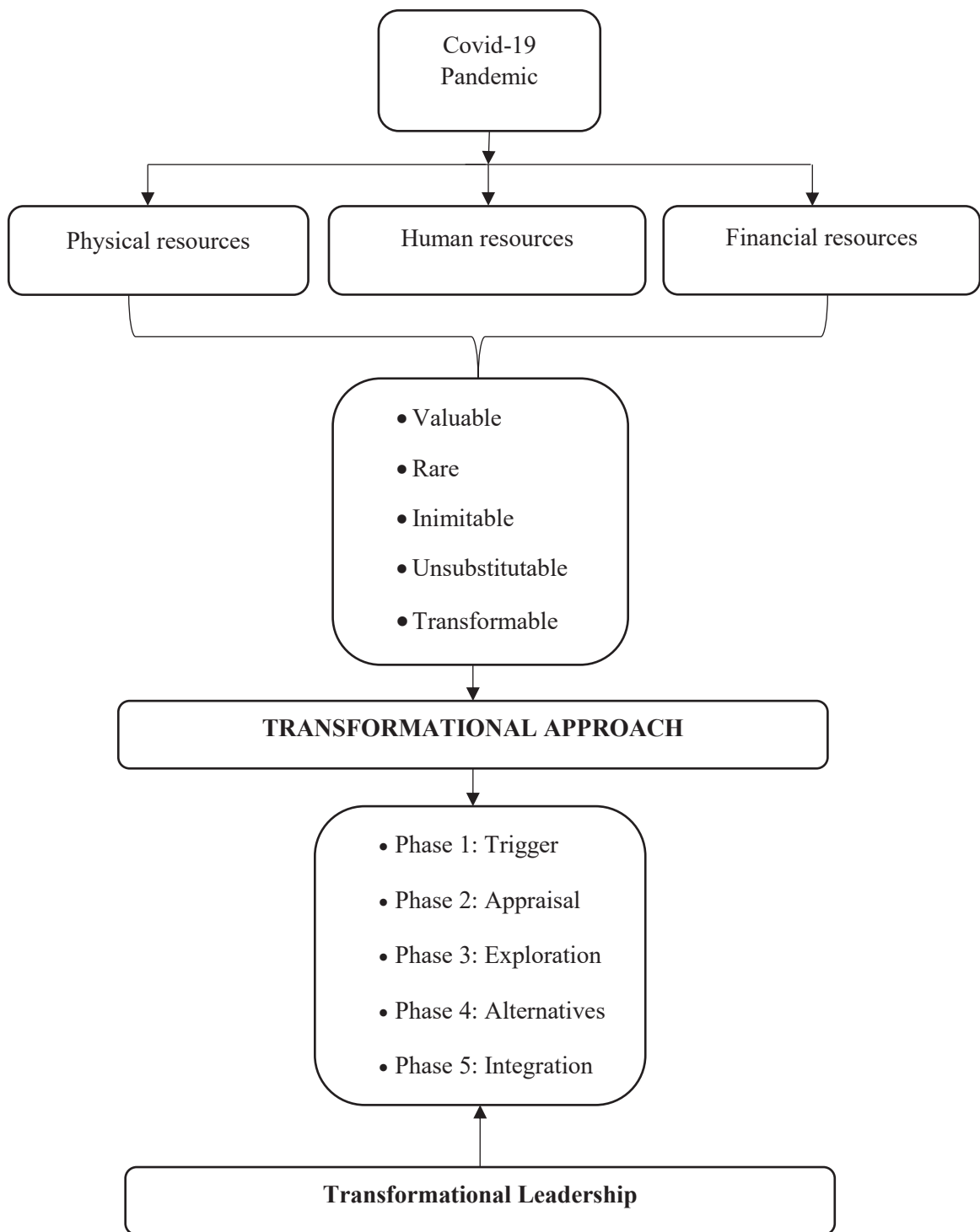


Figure 1. Proposed framework of transformation process of resources for hotel organizations in the post pandemic era

concentrated on transformation of organizational resources during and after the pandemic in the hospitality industry. Eight standardized questions with regard to past and transformed service structure and design, work environment and conditions, customer

relations, organizational rules and procedures, human resource practices, financial circumstances, marketing and promotion strategies, and legislative procedures were asked. In order to ensure the participants to feel comfortable when discussing the topics, at the

beginning of focus group discussions, participating hotel managers were indicated the instructions, which warrant that knowledge obtained would be kept completely anonymous, and that they could leave the discussion at any time. Following the guidelines produced by Morgan (1996), a moderator stimulated interaction among participating hotel managers. Participation in the virtual meetings was voluntary. Each focus group discussion lasted around one hour and 30 minutes.

RESULTS AND DISCUSSION

Figure 1 proposes the conceptual framework of the organizational resources and their attributes in the hospitality industry for the post pandemic period. Focus group analysis explored hotel organizations' firm resources, which have been dramatically influenced by the pandemic and recently adapted roles and actions by the management teams to adjust resources to the new normal. The theoretical framework proposes

Table 2. Transformation of physical resources due to the COVID-19

1 Service Structure	
<ul style="list-style-type: none"> • Social distancing <ul style="list-style-type: none"> -Department-specific service -One-way corridors -Direction indicators -No open-buffet -Personal plate service 	
Turkey specific Transformation	Germany specific transformation
<ul style="list-style-type: none"> • Specific Covid-19 rooms • Check-in rooms after 2 hours 	<ul style="list-style-type: none"> • No open cutlery
2 Hygiene and Cleaning	
<ul style="list-style-type: none"> • Premium hygiene rules • Department specific hygiene rules • Ventilation • Disinfecting regularly 	
Turkey specific Transformation	Germany specific transformation
<ul style="list-style-type: none"> • 14-item Hygiene rules 	<ul style="list-style-type: none"> • Hygiene protocols
3 Health Precautions	
<ul style="list-style-type: none"> • Social distancing at least 1,5 m • Wearing mask 	
Turkey specific Transformation	Germany specific transformation
<ul style="list-style-type: none"> • Safe tourism certificate • Showing max. number of guests • Body temperature measure • Thermal cameras and contactless thermometer 	<ul style="list-style-type: none"> • One central entrance

The virtual meetings were recorded and then transcribed by one of the authors. Transcripts were checked by the other author to eliminate any possible mistakes and inconsistencies. Through content analysis, transcripts from each group of German and Turkish hotel managers were analyzed by researchers to categorize answers into significant components. Initially, we classified responses from German and Turkish participants for each open-ended question. From there, we have examined responses through focusing on organizational resources. This procedure led to description of clusters of physical resources, human resources, and financial resources, which rotate around the topics that are crucial for each group. Lastly, the attributes of the three resources were clarified (see Figure 1).

an additional attribute of organizational resources (i.e. being transformable). The findings also revealed different practices between German and Turkish hotel industry. Perhaps the devastating impacts of the coronavirus pandemic on hotel organizations are the decline in occupancy rates and in revenues as well as the compulsory lockdown, which has never been confronted to date. Participants from both hotel industries agreed that the paramount transformations experienced in the workplace with the advent of the Covid-19 outbreak are strict social distancing and hygiene rules. Our study has first categorized the results under the organizational resources: physical capital resources, human capital resources, and organizational capital resources. Moreover, it concentrates on providing common and specific themes catered by

each group; and then generates a new resource attribute “transformable” in the new normal.

Physical Capital Resources

The results show that hospitality companies have been imposed by the recent pandemic to adjust their physical resources in order to ensure safe and secure physically distant service delivery design in the post pandemic era (see Table 2). This might be clarified by the fact that guests would be more concerned about their health and safety in the post pandemic period. Relatedly, one of the hotel managers (GB4) during the focus group discussions indicated that “we need to restructure our service design to be able to present a physically distant service as an effective strategy of ensuring guests safety.” Results demonstrated that both groups of hotel managers put most of their emphasis on applying the enforced government measures adjusting their service structure according to social distancing principle. Both focus group participants have said that “we have redesigned the service delivery by leaving 1, 5 meter between chairs and tables in the restaurants of our hotel”. On the other hand, common areas, including corridors, lobby, bar, and reception areas have been redesigned to keep both employees and customers safe and healthy. Moreover, in both countries, the open buffet system, which was mostly applied before the Covid-19 outbreak, had to be replaced by personal plate service, indicating the transformative effect of the pandemic in hotel industries. Further, the participants commonly indicated that the rooms are ventilated after cleaned in the housekeeping department.

Besides these limited transformations stated mutually by both focus groups, regarding the physically social distancing service, German participants (e.g., GA1, GC4, and GD1) differently stated that “the cutlery and plates cannot be left in an open position on the tables”. On the other hand, Turkish participants (e.g., TF2, TF3, TH2, and TH4) indicated that “we have followed a different procedure in Turkey. We need to reserve customer isolation rooms according to the total capacity of our hotel, namely at least one isolated room should be reserved for every fifty rooms.” Furthermore, as one of the participants (TE1) stated “in Turkish hotels thermal cameras or contactless thermometers are used to monitor the body temperatures of guests and employees while entering the facility and of employees before leaving the facility.” Another notable procedure applied in Turkey was uttered by a respondent (TI3) as “there is a safe tourism certification program which describes series of health measures to be taken regarding accommodation of both local and international visitors, who will stay at hotels during their holidays. These measures are also applied for employees working

at tourism and hospitality organizations in Turkey”. Moreover, Turkish hoteliers (TE4, TF5, TG1, TG2, and TI2) stated regarding physically social distancing in frontline operations that “we have the principle to check new guests in the rooms which have already been checked out at least 2 hours earlier”. The results show that available organizational resources do not function anymore in this challenging situation, so the adaptation of these resources seems inevitable.

Secondly, as can be seen in Table 2, vital physical factors during the struggle against the Covid-19 are the hygiene and cleaning. Because of the increased attention of the guests after the pandemic, hotels have started to transform their resources according to premium hygiene and cleaning procedures. In all of the hotel departments especially with high levels of direct service to the guests, such as kitchen, restaurant, lobby and rooms, supreme hygiene rules are carried out. Some of the participants (e.g., GC2, GC3, GD3, TE3, TG3, and TG4) indicated during focus group discussions that “we have defined particular hygiene rules for each department. For example, most commonly used areas by the guests are cleaned every 30 minutes and the rooms are cleaned and ventilated by the personnel and also warn our guests to ventilate their rooms every 2 hours during their stay”. Moreover, Turkish participants (e.g., TF1, TH1, and TH3) stated that “there are 14-item hygiene and cleaning rules implemented by the ministry of health”. German hoteliers also expressed similar implementations, such as hygiene protocols, social distancing and mask rules constituted by the government.

Third, regarding health precautions Turkish hoteliers (e.g., TE3, TF4, and TH1) stated that “we are responsible for showing the maximum number of guests available at one time and preparing posters which promote sitting in outdoor places and eating the takeout food within a radius of 100 meters”. Besides, a German hotel manager (GD3) indicated that “guests are to be admitted only from one central entrance.” Overall, the results obtained from the focus group discussions indicated that physical capital resources should be transformable according to new conditions of the post pandemic era.

Human Capital Resources

The study findings revealed that one of the most devastating impacts of this pandemic on hotel organizations is regarding the human capital resources. The effects ended up with a prompt redundancy or suspending of most of hotel employees, who are the main human resources of a hotel organization as the result of the cease of the operations owing to restrictions and lock down. Relatedly, one participant

(TI2) from the focus groups expressed that “our operations have declined about 80 % and therefore, we have had to suspend or lay off some of our employees.” This circumstance ends up with a compulsory farewell to their qualified and experienced employees. Moreover, the focus group discussions confirmed that human resources should be promptly transformed by following the highly sensitive health measures, such as wearing masks, not being close to guests, utilizing disposable instruments and medicinal, and distance sitting design by frontline workers to present a desired service to guests. Furthermore, the focus group discussions revealed that hotel organizations should improve their human resources’ awareness about the pandemic and its outcomes through providing e-trainings. As some of the hotel managers (e.g., GB1, GB3, TG2, and TG4) suggested, “employees’ awareness should be developed regarding the health precautions.” Another one (GA2) indicated that “to provide healthy service to customers, we need to provide e-trainings to our frontline employees particularly because they will interact with customers.”

More importantly, most of the participants suggested that with the rise of the COVID-19 the hotel organizations have to adopt new-generation technologies, such as artificial intelligence (AI) and robotics in their organizations. In fact, these new normal forces the hotel industry to convert its existing characteristic of “labor-intensive” into a novel one called “techno-labor-intensive.” One of the participants (GC1) stated that “the replacement of employees by the new technologies can ensure the social distancing, which triggers the guests to feel more secure during their accommodation.” Some participants (e.g., GC1, GD2, TF1), on the other hand, suggested that “some guests admit the benefits of these new technologies, but still prefers a kind of mixture of the technological and human resources in the service delivery.” It seems that transformation of human resources by adopting new-generation technologies is inevitable in the post pandemic era.

As for work schedule, it has been gathered from the focus group discussions that especially the white-collar workers have the opportunity to work from home in order to minimize the social contact with the other employees. Focus group discussions also revealed that meetings of managerial positions have been held through teleconferencing and virtual platforms and employees’ trainings are organized through e-training (see Table 3).

Table 3. Transformation of human resources due to the COVID-19

1	E-training
	<ul style="list-style-type: none"> • Developing employee awareness • Managerial meetings via teleconferencing • Using virtual platforms
2	New Generation Technologies
	<ul style="list-style-type: none"> • Techno-labor-intensive feature • Integrating artificial intelligence, service robots, smart devices, etc. • Mixture of technology and human labor
3	Home officing
	<ul style="list-style-type: none"> • White collars work from home

Financial Capital Resources

The pandemic has shown its darkest face with its effect on the decline of occupancy rates and consequently revenues of hotel organizations, as stated by the participants from the focus group discussions. All the participants agreed that “hotel organizations literally have bottomed out with the sharp decline of approximately 80% in occupancy rate and revenue.” On the other hand, the findings revealed that the profitability of hotel facilities have been dramatically decreased since the outbreak of this pandemic, while their costs have increased for generating a favorable firm image so that they can receive the attention of potential guests throughout post-pandemic period. For any organized transformative applications to embrace the post-pandemic era, there is a need for research and development, marketing and promotion, and regeneration of company image by focusing on non-pharmaceutical measures, which could aid hotel organizations to locate themselves with their rare goods and services, to distinguish from their rivals and to encourage guests to purchase their products (see Table 4). This process requires an important investment, which leads to additional cost for the organization. Some of the participants (e.g., GA2, GA3, TF4, TF5, TI1) from focus group discussions indicated that “we need to develop new marketing and promotion activities by using our suitable products and services for the new normal and invest in R&D to find new effective ways to attract and serve customers.” Another participant (TE2) said that “the COVID-19 has increased our financial cost because we are searching for new approaches to tackle with the devastating impacts of this pandemic.” Some of the participants (e.g., GB2, GB5, TH1, and TH2) also suggested that “we need to generate new markets and opportunities to deal with this pandemic and recover our financial performance.” Another participant (GD4) indicated that “as an instant respond to this pandemic we have made is to change our target to domestic and local customers. We revised our promotion strategies based on the priorities of the

local guests in order to compensate at least our daily costs.” In this sense, to revive financial performance, hotel facilities need to create unique services and goods considering guests’ health and safety to provide invaluable and satisfactory perceptions to visitors, and they should find novel market opportunities.

Additionally, some of the participants (e.g., GA1, GC1, GC4, TF5, and TG1) from both countries indicated that “short-time work is important. It relieves our companies’ financial burdens; it decreases our employee costs. During the lockdown, our workers did not work, but got about two thirds of their salary from the government.” Another participant (TI3) also said that “we can use loan options from particular banks to avoid insolvency due to lack of income during the state-imposed closure time.” Specifically, German hotel managers stated about the financial support provided by the government to overcome this challenge. For example, a German participant (GA2) said that “we received immediate financial aid of € 15.000 from the government.” On the other hand, Turkish hotel companies have benefitted from the tax delay. One participant (TG3) from Turkish focus group stated that “our VAT and insurance premiums have been delayed for 6 months.” The results show that hotel organizations’ financial capital resources mostly rely on external financial supports from the government and banks during the pandemic, which is not sustainable in the new era. Therefore, financial capital resources should be transformed according to circumstances of the post pandemic period.

Table 4. Transformation of financial resources due to the COVID-19

1 New market opportunities	
<ul style="list-style-type: none"> • Research & Development • Creation of unique service • Focus on domestic / local customers 	
2 Governmental aids	
<ul style="list-style-type: none"> • Short-time work • Salary compensation 	
Turkey specific Transformation	Germany specific transformation
<ul style="list-style-type: none"> • Tax delay • Insurance Premium delay 	<ul style="list-style-type: none"> • Financial governmental aids
3 Loans	
<ul style="list-style-type: none"> • Bank loans • Insolvency aids 	

Proposed Framework

In the light of the focus group discussions, the study also proposes a theoretical framework (Figure 1). Within the context of COVID-19 pandemic, full of extreme challenges (Hannah Uhl-Bien, Avolio,

& Cavarretta., 2009), hotel managers are concerned with the initial effects of the pandemic, which are highlighted through the physical capital, human capital, and financial capital resources. Concentrating on their main concerns, the study theorizes a new attribute of “transformability” of the organizational resources, which already have to be “valuable”, “rare”, “inimitable”, and “unsubstitutable” to get competitive advantage in the industry (Barney, 1991).

Transformative learning theory suggests that some circumstances and events could result in changes in behaviors, attitudes, feelings, and opinions of people (Mezirow, 1991). At the firm level, these exceptional cases might lead to modifications in organizational goals, strategies, and resources. Transformation means that especially the organizational resources are continuously changing. Recently, many organizations have confronted such a mandatory transformation that it compels them to keep up with the extraordinary conditions of the recent global crisis. In particular, the coronavirus pandemic has forced firms to adapt their physical, human, and financial resources according to precautions of the new normal. Therefore, this study suggests that organizational resources should be transformable in the post-viral world, because a global crisis as the COVID-19 must take place again – many scholars have argued that we will experience such pandemics in the future –, the current resources may not function, and thus we will again have to search solutions to cope with these challenges as we are doing in this unprecedented time. Hence, transformable resources could provide sustained competitive advantage to the firms that have to successfully manage catastrophic crises in the new world.

A specifically tragic aspect is that consumers will request both “warm welcoming” and “high quality service” while paying more attention on the health and safety precautions. As can be understood from the focus group discussions, many organizations have already done absolutely anything they could be due to their endeavors to focus on transformation. To survive in such an extraordinary context, it is essential to adapt the organizational resources into the new condition. The concept “transformability” is only employed when an organization can actively and instantly adjust their resources to new and unseen events and improve itself as per evolutionary norms within the structure of comparably continuing demand (Balve, Wiendahl, & Westkämper, 2001).

Phases of transformation:

The transformability of the organizational resources is actualized in a transformative progress at five interrelated phases. These phases are fluid and

allow exclusion of a phase without interruption of the transformative progress:

Phase 1—Trigger. First phase arises when the existing organizational resources are no longer satisfactory to accomplish the expected outcomes. The first step includes realizing the pandemic crisis and its impacts, which cannot be tackled with using current valuable, rare, inimitable, and unsubstitutable resources.

Phase 2—Appraisal. At this stage, hotel organizations attempt to contend with organizational resources' incompetency under the unprecedented conditions of the new normal.

Phase 3—Exploration. This stage includes analyzing new and various alternatives of transforming or accommodating the resources which cannot provide sustained advantage in the post pandemic era for the hotel organizations. The partial or complete restructuring of the physical resources (i.e., plant, equipment, or materials), or transformation from human-intensive service design to techno- or techno-human-intensive service design can be given as examples. This transformation is a basic type and promptly influences the whole hotel company. Such a far-reaching transformation is needed in case organizations should react very quickly to new and unexpected events, such as the coronavirus pandemic.

Phase 4—Alternatives. This stage allows for experimenting with transformed resources, or new ways of dealing with the pandemic conditions.

Phase 5—Integration. The last phase takes place as the transformed resources become part of current organizational resources in daily operations. At the fourth phase, hotel organizations increase their adaptation and improvement capabilities. This process ends up with "transformability" as an attribute of organizational resources in the post pandemic world.

The analyzing of organizational resources' transformability through five-phase process addresses the nexus to the transformative learning theory, which underpins this study to expand the understanding of transformability.

The conceptual framework also suggests that the five-phase process requires transformational leadership because transformability refers to go beyond existing situation. According to Altınay and Arici (2021), transformational leaders mostly see purposes as more vital than avoiding the violation of policies and procedures. In addition, they mostly attempt to alter the procedures and organization culture as requested over time. In this paper, it is proposed that

hospitality firms encouraging this leadership style will successfully transform their organizational resources. Without the transformational leadership to foster this transformation in the hospitality, the current form will continue, with unimportant changes and measures as it was made in countries of focus group participants to ensure cleaning and hygiene conditions in their service design. This might function in small crises that can be tackled with most of the time. But, if a universal pandemic will be happened in the future, the existing system will not work. Thus, when another global crisis takes place at the degree of the COVID-19 or worse, there should be transformed hospitality firms that possess "valuable", "rare", "inimitable", "unsubstitutable", and "transformable" organizational resources.

CONCLUSION

Based on the transformative learning theory and focus group discussions including 36 German and Turkish hotel managers, this study explored the transformative effects of the COVID-19 pandemic on the organizational resources in the hotel industry; (1) physical capital resources, (2) human capital resources, and (3) financial capital resources. It also develops a theoretical framework, which proposes new attribute of "transformability" for these resources, therefore, making contributions to the transformative hospitality literature. Firstly, this research investigated the challenges hotel managers faced during the pandemic, their strategies for adapting their existing resources into the new normal. In doing so, this present work also provided minimizing the present knowledge void, which has occurred unexpectedly. To date, many research have investigated transformative approach in tourism from the aspect of tourists (Pung et al., 2020), but few have inquired it from the practitioners' point of view (Soulard et al., 2019). Thus, in response to the research calls for managerial strategies to improve significant transformative actions, this study identified transformation of organizational resources in hotel companies. Transformation of physical resources, human resources and financial resources were discussed within the focus groups by comparing two hotel industries, displayed in a summarizing framework. To our knowledge, it is one of the first studies adopting transformative approach in hospitality literature.

Contributions

This study provides several theoretical and practical contributions. First, the conceptual framework expands the knowledge of organizational resources and their attributes developed by Barney (1991). According to Barney, to have the potential of sustained competitive advantage, organizational resources have to possess four attributes: valuable, rare, inimitable,

and unsubstitutable. This study aimed to find a way to embody transformability in organizational resources so that maintained competitive advantages can be achieved in the post pandemic period. In doing so, this research helps diminishing current knowledge gap. For instance, the hotel organizations adopting transformable resources, which ensure customers' safety and health might get more sustained competitive advantage rather than negligent companies that disregard the importance of adopting transformable resources, in spite of the fact that they have already suffered much from the deficiency of financial resources, limited customer demand, and incompetency to properly react to requirements of new normal, which narrows down their competitiveness.

Second, from the aspect of theoretical viewpoint, Table 2 displays the transformation of physical resources of hotels, Table 3 adaptations in the human resources related concerns and lastly Table 4 the conversion of the financial resources regarding the transformation into the post pandemic new normal. Further, by proposing ten unique components, the framework presents a thorough picture of transformed organizational resources according to the necessities of the new normal. Existing literature has mainly concentrated on discussing the impacts of the COVID-19 on tourism and hospitality industry. However, limited research has examined theories from various disciplines to clarify what could identify and explain transformative effects of the pandemic in the hospitality literature. By integrating various disciplines on hotel practitioners, this study has proposed the ten components of transformed organizational resources, contributing to our understanding on transformative hospitality.

Drawing on the transformative learning theory of Mezirow (1991), this study reveals the transformed resources and illustrates transformed key dimensions in three basic resources.

The study proposes physical resources (service structure, hygiene-cleaning, and health precautions), human resources (techno-labor intensive, e-training, and home officing), and financial resources (finding new market opportunities, financial aids, loans, and tax reduction), which have been displayed as components of the proposed framework that might provide a direction for further examination of transformative experiences in the hotel industry. As such, this paper also contradicts the commonly accepted "labor-intensive" characteristic of hotel industry. Instead, it proposes a new approach "techno-labor- intensive", which means transformation of conventional characteristic by adopting new-generation technologies, which ensure

physically social distancing in service particularly that can lead guests to feel more secure during their stay. Moreover, these figures and comments demonstrate the transformation process displayed through organizational resources that enabled participating managers to transform their companies into the new normal. Therefore, the proposed framework provides an insight for the adaptation of the transformational mindset in the post-viral period to mitigate devastating consequences.

Another contribution arises, in that the theoretical underpinning of the framework, coupled with its managerial substance deriving from organizational resources and work conditions experienced by hotel managers, might shed light further research attempts that conducting a transformative hospitality approach is main purpose. To illustrate, Soulard et al. (2019) addressed an emergent need for investigation of tourism organizations' transformative implications, which contribute to positive work culture and climate. This study also responds especially to the call of several scholars for further research adopting transformative learning theory (Pung et al., 2020; Soulard et al., 2019). The value of the theoretical underpinning suggests significant insights, which can contribute to transformation of resources and adaptation of new conditions emerging with the advent of the pandemic. Last, the proposed framework and components in the context of transformative outcomes of the pandemic show their organizational resources available in the post-viral era.

By exploring main transformed resources among German and Turkish hotel practitioners, this study also has managerial contributions. First, the results show how to redesign service structure in hotel organizations to keep their customers safe and healthy and encourage potential guests to buy their goods and services. Second, almost all the respondents in focus group discussions suggested that the pandemic forced them to transform their human-based service characteristics by adopting new-generation technologies to keep up with the principle of physically social distancing. These comments provide opportunities for practitioners to be innovative and convert their human resources to survive in the post-pandemic period. Replacing human labor completely by the technology might result in dissatisfaction for customers, who have lower health concerns, request personalized service, and rely on human employees (Seyitoglu & Ivanov, 2020). Thus, adopting "techno-labor approach" which mixes the technology with human resources could provide extremely beneficial consequences for the long-term recovery of the hotel operations. This also requires providing e-trainings to employees in order to improve

their technology adaptation and accelerate their transformations into the new normal.

Moreover, many hotel facilities had to shut down their operations due to lockdown. In this case, human workers lose their salaries and suppliers could not receive payments. Thus, the focus has transformed into new market opportunities to regain their financial performance. This situation shows an urgent need for promoting their transformed resources including products and services converted into the new normal. Further, the pandemic has revealed a dire need for external support from governments and also banks in order to compensate their reduced financial resources. The results suggest that hoteliers mostly rely on financial support provided by government, but failure to adopt new market and opportunities to attract potential customers and ensuring their existing guests' health and safety by providing a physically distant service, can have tremendously damaging outcomes for the financial recovery of the hotel organizations.

Last but not least, transformation of organizational resources implies transformational leadership. Thus, hotel practitioners need to encourage their managers or supervisors to adopt transformational leadership principles so that they can better transform firm resources in the post pandemic world.

Limitations and Future Research Directions

Like any other research, this paper is not free from limitations. The first limitation of this research relates to a series of focus group discussions with the managers of German and Turkish hotel industries, which may not cover all prospects of hotel industry. Although eight focus group discussions were built and hotel managers from two different countries participated in the research, results of this work cannot be generalized beyond those countries due to the nature of the research. The interpretation of the organizational resources and their transformations due to the pandemic were based on the shared knowledge and interpretations obtained from the limited participants and thus remain subjective. Future investigations could be performed on a larger sample of hospitality managers, preferably obtaining larger numbers, and including other countries and where the tourism and hospitality industry plays an important role. Another direction for future study might consider the effect of this pandemic on other stakeholders, such as tourism suppliers, residents, and potential customers from the perspective of the transformative learning theory. These endeavors might be comprehensive and potentially valuable, specifically in developing a conceptual framework and practical implications for main stakeholders. Drawing on this concept, study can investigate to clarify how

tourism and hospitality companies can develop a good collaboration with these main stakeholders to recover from the devastating impacts of this pandemic, by conducting either face to face interviews or focus group discussions and other methods to increase awareness and expand understanding. These attempts might help organizations find new avenues and remedies to react immediately to a new quarantine or a lockdown which has painful outcomes on all stakeholders including, tourism and hospitality organizations, human-labor, customers, suppliers, and residents.

Further study can also examine the theoretical assumptions of transformative tourism to evaluate the necessity and contingency of technological transformation in tourism and hotel industry, which still stays untested. Finally, examining the transformational leadership and its competency in adaptation of organizational resources in the post-viral era would be pay dividends.

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