

NANO TOOLS FOR LEADERS®

THE RECOVERY ADVANTAGE: “UNREASONABLE HOSPITALITY” WINS

Nano Tools for Leaders® are fast, effective leadership tools that you can learn and start using in less than 15 minutes—with the potential to significantly impact your success as a leader and the engagement and productivity of the people you lead.

GOAL

Respond to mishaps and failures in ways that build lasting loyalty with customers and employees.

NANO TOOL

Today’s hyper-competition and declining workforce loyalty mean attracting and retaining both customers and employees is a make-or-break challenge for organizations. Unreasonable hospitality—a philosophy Will Guidara developed while taking Eleven Madison Park to the top of the World’s 50 Best Restaurants list, and the subject of his best-selling book—directly addresses these issues by creating moments that make people feel truly seen and valued, whether they’re customers or employees. It’s about transforming transactions into relationships through unexpected, generous touches that turn customers into loyal advocates and employees into passionate ambassadors.

This approach becomes especially powerful when something goes wrong. Psychologists Daniel Kahneman and Barbara Fredrickson’s [Peak-End Rule](#) shows that people remember experiences based on their emotional high (or low) point and the ending, not the average quality. When a mistake becomes that emotional peak, the right response can create a new, positive peak that reshapes the entire memory. Research supports this: guest experience company Ovation found that customers who experienced a problem but received an appropriate response were twice as likely to return, spent more per visit, came in 4 times more frequently, and were 12 times more likely to leave a positive review.

Unreasonable hospitality isn’t about avoiding every failure—it’s about turning difficult moments into defining ones.

ACTION STEPS

- 1. Acknowledge fast with a sincere apology: “I’m sorry” isn’t an expression of weakness, and it’s not an admission of fault. It’s an expression of confidence and your desire to take the best next step toward resolution.**
Research by Wharton professor Maurice Schweitzer shows that apologies are powerful trust-repair tools, signaling accountability, empathy, and a willingness to put the relationship ahead of defensiveness. Quick and sincere apologies reduce anger, increase perceptions of fairness, and make people far more receptive to whatever solution comes next.
- 2. Take ownership on behalf of the organization:** In moments of failure, the person in front of the customer represents the whole company, regardless of who actually caused the mistake. When leaders and frontline employees act as stewards of the entire organization’s reputation, they create the conditions for trust repair and open the door to designing the positive “peak” that can redefine how the experience is remembered.



- 3. Avoid defensiveness; feelings matter more than fault:** Being right is less important than being empathetic. Arguing policies or blame may protect pride, but it harms the relationship. When someone feels wronged, their experience is real. Effective recovery starts by addressing emotions first, creating the trust needed to move forward.
- 4. Do something meaningfully generous or thoughtful (create a new peak):** Recovery shouldn't stop at fixing the problem. It should include a gesture that creates a positive emotional high point. The goal is to give the person a moment so thoughtful or generous that it reshapes how they remember the entire experience. "New peaks" don't have to be expensive, but they must feel personal and sincere. When done well, the gesture shifts the story from what went wrong to how well it was made right.

HOW LEADERS USE IT

In February 2007, after a Valentine's Day ice storm caused JetBlue to strand passengers on tarmacs for up to 10 hours, CEO David Neeleman responded with a full-page newspaper apology, in-person apologies on three national television shows, and most importantly, the industry's first Customer Bill of Rights, a \$30 million commitment with specific compensation for delays. He never blamed the weather. The result: JetBlue successfully restored customer trust after what Neeleman called "the worst operational week in JetBlue's seven-year history," turning a potential brand disaster into a demonstration of accountability.

Ritz-Carlton's frontline employees are empowered to spend up to a set amount to resolve guest problems on the spot, without seeking approval. This policy reinforces a culture where the person in front of the customer takes ownership on behalf of the entire company, preventing blame-shifting and speeding trust repair.

Online pet supply retailer Chewy is known for going beyond basic service recovery. When customers contact the company about order problems, such as damaged shipments or incorrect items, Chewy often adds a personal, unexpected touch, like a handwritten note or small surprise gift. These thoughtful gestures turn a routine fix into a memorable moment of care, reshaping how customers remember the experience.

KNOWLEDGE IN ACTION

[*The Resilient Leader*](#)

[*Executive Influence: Increasing Your Impact with Persuasion and Power*](#)

[*Leading and Managing People: Strategies for a Changing Workforce*](#)

[*General Management Program*](#)

CONTRIBUTORS TO THIS NANO TOOL

Will Guidara is a restaurateur and author of *Unreasonable Hospitality: The Remarkable Power of Giving People More Than They Expect* and *Unreasonable Hospitality: The Field Guide*, on which this Nano Tool is based. As co-owner of Eleven Madison Park, he helped lead the restaurant to earn three Michelin stars and recognition as one of the world's best restaurants. His work focuses on creating customer experiences across industries that spark joy and foster loyalty.

ABOUT NANO TOOLS

Nano Tools for Leaders® was conceived and developed by Deb Giffen, MCC, Director of Innovative Learning Solutions at Wharton Executive Education. It is jointly sponsored by Wharton Executive Education and Wharton's Center for Leadership and Change Management, Michael Useem, Director. Nano Tools Academic Director is Professor John Paul MacDuffie, Professor of Management at the Wharton School and Director of the Program on Vehicle and Mobility Innovation (PVMI) at Wharton's Mack Institute for Innovation Management.