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Thematic Section Editorial-Controversial Industries and Tourism: Interdisciplinary Perspectives during Coronavirus Pandemia

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ABSTRACT

This Editorial has the objective to present the Thematic Section (TS), that derives from selected papers, that were presented during SIDREA International Workshop - May 19th 2020-2-5pm. It is structured in two sections. The first section is introducing the contents of the ST. The second section discusses the multifaceted phenomenon of trust in business organizations with special reference to controversial industries including gambling and different trust profiles are (i.e., non-confidence, negative trust, and distrust, and the corresponding social categorizations).

Keywords: Controversial Industries; Trust; Trustworthiness; Honesty; Moral disengagement

Questo Editoriale ha l'obiettivo di presentare la Sezione Tematica (TS) derivante dai paper selezionati, che sono stati presentati durante il SIDREA International Workshop - 19 maggio 2020-h.14-17. La TS include due sezioni. La prima sezione introduce i contenuti della TS. La seconda sezione analizza approfonditamente il fenomeno della fiducia nelle organizzazioni imprenditoriali, con particolare riferimento a settori difficili, tra cui il gioco d'azzardo. Inoltre, vengono identificati diversi profili della fiducia:

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sfiducia, fiducia negativa e sfiducia, e sono esplorate le corrispondenti categorizzazioni sociali.

Keywords: Aziende difficili; Fiducia; Affidabilità; Onestà; Disimpegno morale

Introduction¹

This Thematic Section (TS) is the result from selected papers, that were discussed during SIDREA² International Workshop - May 19th 2020-2-5pm. It was the 1st Social accounting and accountability workshop in controvertial industries and tourism with an interdisciplinary perspective, involving reflections on accounting, economics, and ethics during Coronavirus Pandemia. The workshop had been financed by SIDREA and the Responsible Social Innovation project contribution 2019 by the Emilia Romagna Region. The main goal of the SS is to disseminate the results of the investigation of new perspectives and challenges about controvertial industries and to outline possible scenarios of its development in interdisciplinary perspectives, especially in accounting, economics and ethics. There are some situations, especially at present in the Coronavirus Pandemia, in which it is very difficult to speak about scientific disciplines without considering ethical implications. There are some sectors that are considered “controvertial industries” and are involving gambling, tobacco, some areas of tourism it may be more difficult to speak about emancipatory change process and disclosure if companies endorse and develop behaviors that destabilize the development of civil economy.

The Thematic Section consider the Editorial and three main reasearch areas.

The Editorial analyzes one of the key points about how to build trust and controvertial industries. The first research area includes works of a general and introductory nature to the issues of the present situation in which organizations are operating. Nesheva Kiosseva’s paper introduces the problems that are present when external shocks occur, that create social and economic disorientation and what are the challenges and the perspectives answers. Rusconi’s contribution, analyzes the different philosophical approaches to health: utilitarian, deontological, virtue ethicsand involving some (Sustainable Development Goals (SDGs)).

The second research area focus on controvertial industries and the problems arising from them. In particular gambling industries problems are presented and, along with them, the various aspects that can create damages for people and the society. Ims’ paper is analyzing one area of controvertial industries about gambling, that examines the different dimensions to understand the problem from different perspectives, (ie, scientific-technical, interpersonal, systemic, and spiritual outlook). Baldarelli’s paper is analyzing SISAL case that passed from sport activities to gambling ones.

The other research area analyzes and develops reflections within the tourism system through suggestions on the different dimensions: heritage and cultural attraction, territory and tourist destinations. Dyachenko and others’ paper is focusing on the present Pandemic situation and the role of innovations and digital and cognitive technologies for marketing in small and medium tourism companies connected to

destinations. Del Baldo wrote the paper about the interesting role of education in UNESCO heritage sites and the Best practice of Urbino tourist destination. Zavarika's contribution, analyzes the development of domestic tourism in Eastern Ukraine destination during Coronavirus Pandemia.



Sidrea International Workshop I online

1st Social accounting and accountability in controversial industries and tourism: Interdisciplinary perspective (Accounting, Economics and Ethics in dialogue during Coronavirus Pandemia)

19 May 2020 | from 2 to 5 PM

online event organized by the Center for Advanced Studies in Tourism-CAST, University of Bologna, Rimini Campus

PROGRAM

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Introduction and institutional greetings

Prof. Maria-Gabriella Baldarelli (promoter and coordinator)
Prof. Patrizia Battilani (Chair of CAST)

Keynote Speakers

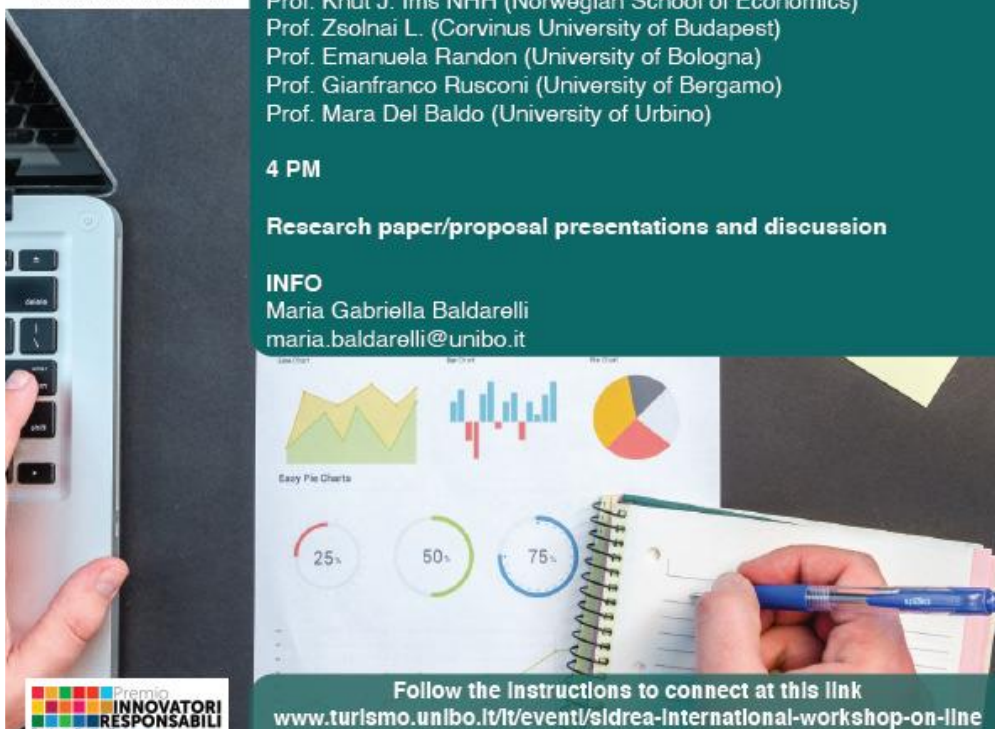
Prof. Knut J. Ims NHH (Norwegian School of Economics)
Prof. Zsolnai L. (Corvinus University of Budapest)
Prof. Emanuela Randon (University of Bologna)
Prof. Gianfranco Rusconi (University of Bergamo)
Prof. Mara Del Baldo (University of Urbino)

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Research paper/proposal presentations and discussion

INFO

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1. Trust and Trust Structures

American political scientist Russell Hardin (2002) suggested we should make a clear distinction between “trust” and “trustworthiness”. Trust is a cognitive act: A trusts B to do X. Trustworthiness is the moral quality of agent B with whom A interacts about doing X.

The distinction between trust and trustworthiness has wide-ranging consequences. Most of the arguments about trust in the literature are misplaced or simple wrong because they confuse trust with trustworthiness. For example, many scholars claim that trust is declining in our societies and more trust is better than less trust in a society. But, as Hardin (2002) points out, trustworthiness, and not trust, is needed in a well-functioning society. Distrust might be a rational strategy if one deals with a non reliable, that is, untrustworthy partner.

Hardin also criticized the concept of social capital as it is used by Coleman (1990), Fukuyama (1995), and Putman (2000) who believe that trust is social capital or an element of social capital. Not trust but social relationships or networks of actors what constitute social capital. Such relationships enable people to undertake cooperative endeavors. These relationships ground trust among the participants in them. They do so because people in networks have incentives to be trustworthy to others thus making it beneficial to trust one another in various undertaking.

In economic relationships different trust profiles may emerge. The basic question is not the general level of trust among economic actors as emphasized by Fukuyama (1995) and others. In many cases economic agents have distorted forms of trust which turn their relationship into ineffective, dysfunctional or even destructive interactions.

2. Trust Profiles

Theoretical and empirical results of economics and social psychology suggest that perceived honesty and competence co-determine the trust profiles economic agents have in their relationships.

In studying the inter-firm relations in Britain and Japan Mari Sako (1992) has distinguished among three major types of trust in economic relationships. These are contractual trust, competence trust and goodwill trust.

Sako describes trust as an expectation held by an economic agent about another, that the other behaves or responds in a predictable and mutually acceptable manner. The predictability of behavior exists for different reasons, which allows us to distinguish between different types of trust.

The first type of trust is called “contractual trust” which is based on the expectation that in the case of written or oral agreements both parties upholding a universal ethical standard, namely keeping promises. A second type of trust concerns the expectation of

a partner performing its role competently. This type of trust is called “competence trust”. A third type of trust refers to expectations of open commitment to each other. This trust in open commitment is labeled “goodwill trust”.

Psychologist Gian-Vittorio Caprara and his colleagues studied “brand personalities”, i.e. features by which people perceive and evaluate brands. Using the famous “Big Five” model of personality psychology they found that two major factors are at work in the people’s perception of brands. (Caprara, G-V. et al., 2001)

The Big Five Model of human personality reduces the large number of adjectives describing human personalities to five dimensions (extroversion, agreeableness, conscientiousness, emotional stability, and openness), which provide a consensual framework for classifying and organizing descriptors of human personality. Caprara and his colleagues examined 12 mass-market brands. Their results show that the five-factor structure is not replicated when describing brands. Rather, at a higher level of abstraction in the hierarchical organization of personality characteristics, results supported a two-trait solution. One factor reflects aspects of brands linked to stability, predictability, and pleasantness. The other factor reflects aspects of brands linked to dynamism, activity, and innovation.

Using the above reported results from economics and psychology we propose a model in which the perceived honesty and competence co-determine the form of trust agents develop in their economic interactions. (Zsolnai 2004)

Different levels of perceived honesty and competence generate the following categories:

- (α) honesty combined with competence generates trust;
- (β) honesty combined with incompetence generates non-confidence;
- (γ) dishonesty combined with competence generates negative trust;
- (δ) dishonesty combined with incompetence generates distrust.

(See **Table 1**)

Table 1: Trust Profiles

| | Competent | Incompetent |
|------------------|------------------|--------------------|
| Honest | trust | non-confidence |
| Dishonest | negative trust | distrust |

Source: Author’s elaboration

Trust profiles (α),...,(δ) induce different social categorizations. In the case of trust agents might be characterized as "good guys". In the case of non-confidence agents might be characterized as "impotent". In the case of negative trust agents might be characterized as "gangsters". Finally, in the case of distrust others might be characterized as "underdogs". (See **Table 2**)

Table 2: Social Categorization of Agents

| | Competent | Incompetent |
|------------------|------------------|--------------------|
| Honest | "good guy" | "impotent" |
| Dishonest | "bad guy" | "underdog" |

Source: Author's elaboration

Trust profiles and the corresponding social categorizations are important because they influence the ways actors engage in relationships with others. If actors are categorized as "good guys", i.e. honest and competent players, then others tend to *invest* in the relationships with them. If actors are categorized as "bad guys", i.e. dishonest but competent players, then stakeholders tend to punish them in relationships with them. If actors are categorized as "impotent", i.e. honest but incompetent players, then stakeholders tend to *minimize* their relationships with them. Finally, if actors are categorized as "underdogs", i.e. dishonest and incompetent players, then stakeholders tend to *exploit* their relationship with them. (See Table 3)

Table 3: Strategies in Relationships

| | Competent | Incompetent |
|------------------|------------------|--------------------|
| Honest | invest | minimize |
| Dishonest | punish | exploit |

Source: Author's elaboration

It is not easy to transform distorted trust structures into trust. Agents should be perceived as competent and honest by their stakeholders to be recognized as trustworthy. Nowadays gambling companies are perceived as dishonest but competent agents, consequently they are typically categorized as "bad guys". This implies a strongly negative orientation toward them by the stakeholders and the wider society which results in higher operating cost and poses higher risk for the continuation of their business.

Trust can be gained if both the honesty and the effectiveness of actions and policies of an organization show considerable and lasting improvement over time. But opportunistic efforts for improving trustworthiness do not work as they are usually perceived as cheating and lying by the stakeholders. (Frank 2004, Bouckaert 2006)

Only genuine (i.e. non-opportunistic) actions and policies which serve the wellbeing of the stakeholders and the common good of society have a chance for an organization or industry to improve its trustworthiness and hence to restore trust in it.

To accept a full moral responsibility for one's own wrongdoing and the caused harm to others is the precondition of reconciliation and healing between parties and building trust. This requires abandoning moral disengagement strategies such as moral justification, euphemistic labeling, advantageous comparison, displacement of responsibility, diffusion of responsibility, disregarding or distorting the consequences, dehumanization, and attribution of blame. (Bandura 2016)

There are several strategies counteracting resort to moral disengagement. (Bandura, Caprara and Zsolnai 2000)

One approach is to monitor and publicize corporate practices that have had detrimental human effects. The more visible the consequences on the affected parties, the less likely that they can be disregarded, distorted or minimized for long.

Another approach is to increase transparency of the discourse by which the deliberation of corporate policies and practices are born. The more public the discourse about corporate decisions and policies, the less likely are corporate managers to justify the reprehensible conduct of their organizations.

Diffused and ambiguous responsibility structures make it easy to discount personal contribution to harmful effects. Instituting clear lines of accountability curtail moral disengagement. Exposing sanitizing language that masks reprehensible practices is still another corrective. The affected parties often lack social influence and status that make it easy to dehumanize and disregard them. They need to be personalized and their concerns publicized and addressed.

3. Regaining Trust

Abrahamic and non-Abrahamic religions developed their own specific sets of virtues and vices. The list of vices in Christianity and Buddhism are different. For Christians the seven deadly sins or capital vices are pride, greed, lust, envy, gluttony, wrath and sloth. For Buddhists the four major things which lead to evil are (1) greed, lust, clinging, (2) anger and hatred, (3) ignorance, and (4) fear and anxiety. The list of virtues in Christianity are as follows: charity, hope, faith, prudence, justice, fortitude, while the list of virtues in Buddhism are temperance and generosity, non-violence, compassion, mindfulness, wisdom, loving-kindness, sympathetic joy, and equanimity. These human qualities are understood and interpreted at the individual level but they can be translated to the level of organizations or industries as well.

Abstaining from vices and exercising virtues is a key for organizations to build trust with their stakeholders and the wider society in which they function. However, this is not possible without adopting and realizing a purpose which is broader and nobler than serving the narrow self-interest of the organization and its owners. The gambling industry should be able to show genuine care about its effects on the gamblers and their families and to contribute to the healing and development projects of society related to gambling and beyond.

Trust is a non-material asset on which the material success of organizations and industries depends. Following their materialistic instincts organizations and industries can destroy the very basis of their own existence. (Frank 2004) To gain trust and deep support from the stakeholders organizations and industries should follow higher goals than profit and growth. (Bouckaert and Zsolnai 2011, Zsolnai 2015)

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¹ Baldarelli and Randon wrote the Introduction; Zsolnai wrote § 1-2-3

² Italian Society of Accounting teachers and scholars