
Ethical and Legal Dilemmas in Management: The Case of the Tourism Industry During the COVID-19 Pandemic

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Abstract:

Purpose: The purpose of this article is to analyse situational dilemmas in organizational management. A dilemma is now a fundamental analytical tool in managerial ethics. The authors focus on the issues faced by the tourism industry during the COVID-19 pandemic, as this sector and time have concentrated key dilemmas of business ethics like a lens. The primary characteristics of situational dilemmas (complexity, unpredictability, decision-making risk, stress, and time pressure) position them at the centre of contemporary management psychology.

Design/methodology/approach: The article presents an analysis of ethical dilemmas based on selected aspects of the game theory. The contemporary approach must consider non-rational factors influencing the behaviour of individual players; thus, the concept of generalized game is enriched in the article with an analysis of emotional intelligence (EQ), social psychology, moral psychology, and cultural anthropology. This interdisciplinary approach allows for an expansion of the classical perspective with new elements.

Conclusions: Situational dilemmas are gaining significance in light of complex decision-making problems. The tourism industry during the COVID-19 pandemic serves as a particular example of such dilemmas. The more complicated the issue, the more challenging it becomes to choose the right solution, which often means selecting the lesser evil. Dilemmas provide analytical tools that enhance the ability to accurately assess complex ethical problems and respond quickly to changes.

Practical implications: In all types of organizations, in light of the crisis of traditional normative-code ethics, there is an increasing demand for practical ethics in everyday managerial practice. Situational dilemmas can serve as an appropriate tool for such practice, enabling effective education and the sharing of experiences.

Originality / Value: The article proposes a new, interdisciplinary analysis of business ethics issues. The authors move away from the classical perspective focused on the concept of

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objective, universal norms and concentrate on situational ethics, taking into account context and the analytical application of the game theory.

Keywords: *Ethical dilemma, context, situational ethics, management sciences, law, moral psychology, game theory, tourism, tour operators.*

JEL codes: *C70, K23, M14, Z32.*

Paper type: *Research article.*

1. Introduction

The pandemic period has intensified the postmodern dissonance of ethics in the Western world. Numerous statements from contemporary philosophers have long echoed the opinion that the norms of classical ethics cannot be applied in a fluid, multicultural setting characterized by increasing risks, necessitating a redefinition and revaluation of the principles of social life (Bauman, 2020; Rorty, 2002; Singer, 2003).

Moral psychology and neuroscience challenge the rationalist paradigm of Western culture and emphasize the crucial significance of non-rational (intuitive-emotional) factors in any effective motivation (Haidt, 2013). Social psychologists advocate for replacing moral education with the establishment of appropriate frameworks for public life that minimize the already inevitable unethical behaviours (Harman, 2003). There are also voices predicting the ultimate end of ethics and the arrival of a post-deontological era.

A different perspective is observed in business ethics, particularly in various areas of management. The search for effective ethical principles in difficult, ambiguous, and controversial situations has become a common phenomenon during the COVID-19 pandemic, and Russia's aggression against Ukraine has further complicated the issue.

Thus, on the one hand, we see a shift towards descriptive ethics focused on analysing the actual problems of organizational functioning (what is?), while on the other hand, there is a focus on moral values in light of the ineffectiveness of rigid rules and codes (what should be done?).

In this way, even before the pandemic, the practice of presenting complex problems through ethical dilemmas that consider the context of actions, and the associated question of moral responsibility became established. A dilemma allows one to view each problem from within, taking into account legal, ethical, psychological, and cultural aspects.

This article will present selected dilemmas from the tourism industry during the COVID-19 pandemic. Tourism served as a true experimental ground for complex, cumulative ethical and managerial problems at that time. However, we believe that this type of analysis can also be useful today, in the post-pandemic period, in a changing, multicultural world marked by the unpredictability of events. For the tourism industry, grappling with challenges such as climate change, unpredictability and situationality remain fundamental ethical challenges.

2. Towards Situational Ethics - Methodological Remarks

Two main metaethical models can be identified for justifying moral beliefs. The first is foundationalism, an epistemological concept used to explain knowledge and justify ethical judgments. It assumes that our system of moral beliefs has a layered structure. The foundation consists of basic beliefs. These may include religious deontologies, but also ethical imperatives (e.g., Kant's categorical imperative, the Golden Rule, principles of compassion, justice, human rights, etc.). They are justified directly and function in social perception as unquestionable.

However, they can be critically considered in ethical or philosophical-religious discourse. Other beliefs, forming the higher levels of the ethical system, are justified when they can be derived from basic beliefs. This model is associated with serious reservations. Of course, basic beliefs play an important social role, serving as a kind of moral compass necessary for the functioning of any culture, although they can be accused of excessive generality leading to vastly different interpretations.

If, for example, an interpretation contradictory to commonly accepted views enters the public debate, it may provoke a conflict of basic beliefs with unpredictable consequences. We are currently witnessing such a conflict when people trapped in information bubbles attack each other using completely different interpretations of Christian values, principles of justice, etc.

The second metaethical model for justifying moral judgments is contextualism. In this model, similarly to foundationalism, the structure of justification ends with basic beliefs. However, the nature of beliefs depends on the context in which they occur. It should be emphasized that contextualism is still a new concept in the Western world, although interpreting actions based on context is an age-old way of thinking in Eastern cultures.

In Buddhist philosophy and practice, it is emphasized that any evaluation of behaviour should depend on the context and situation. In the second half of the last century, symbolic anthropology made many people in the West aware of the importance of context in the interpretation of cultures. Today, contextualism is a typical approach in the field of applied ethics, and has practical significance in business, especially in difficult, ambiguous situations, such as the recent pandemic period.

It seems obvious that the foundation of our belief system, especially in mature life, consists of balanced moral judgments based on everyday experiences. They are generally particular in nature, concerning the rightness of a specific action, way of thinking, or the value of a state of affairs in a specific situation. We have the greatest trust in this type of judgment.

Contextualism provides new solutions enabling the professionalization of this type of analysis and sharing experiences. This approach also provides credible premises for moving beyond slogans and stereotypes in discussions on ethical issues.

3. Situationality at an Organizational Level

Every situational analysis, not necessarily related to a difficult ethical dilemma, must consider not only individual behaviours but also the reactions of other participants in the game. On the one hand, such an opinion seems obvious. Various models of change management, as well as the game theory, recognize this interdependence as the foundation of analysis.

However, from the ethical point of view such model of description is new and serves as an alternative solution to classical theories focused on the individual perspective. Both deontological and utilitarian approaches eliminate context and situationality, which excludes a credible analysis of the entire process of interdependence at various levels of social life.

In this article, we present a position that acknowledges the validity of applying certain solutions from the game theory in the analysis of ethical dilemmas. The analytical utility of this theory in situational descriptions, however, has one fundamental drawback it assumes rational behaviours of individual participants in the game. This is at least the classical approach. Meanwhile, human behaviours may stem from non-rational premises (ego, emotions, conformity, cultural influence).

As confirmed by the works of Antonio Damasio, every decision we make requires emotional support, which contradicts the entire rationalist paradigm (Damasio, 2022). In the game theory, simulations can be employed, experimental methods can be utilized, and probabilities associated with uncertainty, lack of information, or the influence of personality factors on players' actions can be examined. However, the risk of overlooking significant premises still exists and may undermine the utility of the analysis and rigidify decision-making procedures.

The concept of generalized games utilizing complexes of rules allows for the analysis of interactions among individual players based on the roles they perform, their interdependencies, as well as methods and styles of decision-making. Four main complexes of rules can be distinguished: MODEL, ACTION, JUDGMENT, and VALUE, which form the basis of the game process analysis (Roszkowska, 2010).

MODEL primarily refers to the situational context, which traditional ethics has not taken into account at all. The context is the interplay of interdependencies that determine the behaviours of individual players. At this level, information plays a crucial role. Lack of access to reliable information, as well as deliberate disinformation practices, facilitate manipulation, the exertion of pressure, blackmail, etc.

Polish experiences from recent years confirm how effective it can be to manipulate people deprived of access to information. At various levels of management, especially in difficult situations requiring immediate decision-making, information is an essential condition for effective action.

ACTION encompasses the analysis of possible behaviours of individual players, that is, potential scenarios for the development of situations used, for example, in simulation games. If an organization is on the brink of financial liquidity, as many businesses in the tourism industry were during the pandemic, then scenario analysis can be a useful tool in relationships with clients. It provides a clear picture of these relationships, facilitates the selection of appropriate legal solutions, as well as sound financial decisions.

JUDGMENT describes the psychological and communicative aspects of decision-making by players. Decisions can be routine, related to adherence to customary rules or legal regulations, instrumental, oriented solely towards immediate profit, or emotional, arising from ambition-related premises or the inability to control stress (Goleman, 2007). Various combinations of the above types of motivation are also possible.

A significant factor influencing decision-making is also the cultural model of communication. In cultures where communication barriers exist (e.g., in Polish culture), decision-making can be particularly difficult in conflict situations. This is related to a lack of negotiation skills as a consequence of poor communication. In such cultures, people are unable to negotiate, which often undermines the chances for long-term cooperation. It is worth adding that the application of game theory in negotiations (especially useful in the Harvard Negotiation Project) can significantly influence their effectiveness, particularly at the stage of preparation and information gathering.

VALUE refers to the complex of rules related to values and norms of moral conduct. A norm is categorical in nature, while a value reveals itself as a moral disposition associated with the choice of a specific action in a particular situation. An ethical dilemma is often connected with the issue of the lesser evil or the choice between values of greater and lesser importance. It is worth recalling that this problem was already discussed by Aristotle in "Nicomachean Ethics" (Aristotle, 2007), but European ethical thought has moved towards seeking rigid, universal rules.

Only in contemporary times can we look at dilemmas from an interdisciplinary perspective, considering ethics, game theory, experimental psychology, or neurology.

4. Ethical Dilemmas in Tourism

Taking the above observations into account, we now want to focus on selected ethical issues in the tourism industry during the pandemic. Below, we present an analysis from the perspective of entrepreneurs and customers.

Level: MODEL:

Refund for a cancelled package travel:

From the entrepreneur's perspective: According to the original statutory provisions, a tour operator should return to the customer within 14 days of his withdrawal all the funds he has paid for a given package travel (Borek and Zawistowska, 2020). Business practice is such that most often, subcontractors are paid from the funds obtained from customers (this can be, for example, a hotel in Egypt or airline flights).

Subcontractors are not in a hurry to quickly return payments to the tour operator, because he is responsible to the customer for the entire package. In this way, they put him in a difficult situation. He has to pay his own money and only then collect the subcontractors, who often unfairly delay the return.

Due to the fact that there are usually several subcontractors, he would have to enter into a legal dispute with each of them, which can last for a long time, and the matter is even more complicated when the problem concerns foreign partners (Borek, 2018). Ultimately, the funds will probably be recovered, but it will take quite a long time and may lead to the bankruptcy of the company.

From the client's perspective: Clients require the tour operator to refund money for a cancelled package travel related to COVID-19 within 14 days (Journal of Laws of 2023, item 2211). The legislator introduced an extension of the contract termination period to 180 days after the outbreak of the pandemic.

Clients referred to the previous legal basis, claiming that the law does not apply retroactively and that they are not interested in the fate of tour operator. The law stipulates that in the situations of cancellation of an package travel, due to exceptional circumstances, the client is entitled to a 100% refund of the funds paid (Journal of Laws of 2023, item 2211).

Voucher:

From the entrepreneur's perspective: The tour operator could, instead of a refund, offer the client a voucher to be used within one year from the date when the package

travel was scheduled to take place (Borek and Wyrwicz, 2021). The voucher was intended to bind the client to the tour operator of the cancelled package travel and create opportunities for the amicable resolution of problems in the longer term (Journal of Laws of 2024, items 340, 1089).

Entrepreneurs opted for this solution considering the escalation of client demands, which sometimes took on a snowball effect (e.g., 100 clients demanding an immediate cash refund). Such situations can lead, in extreme cases, to the bankruptcy of the entrepreneur.

From the client's perspective: Clients had the right to refuse the voucher. Positive examples of consumer actions were indeed recorded, such as participation in the "do not cancel, take the voucher" campaign, which aimed to show solidarity with the tourism industry and promote vouchers instead of demanding cash refunds (Polish Tourism Organization, 2020).

However, many clients reacted almost "allergically" to the voucher proposal, firmly rejecting it. Moreover, some clients, despite previously declaring their acceptance of the voucher, did not use it and subsequently demanded a refund after the expiration of its validity.

Tourism Refund Fund:

From the entrepreneur's perspective: The Tourism Refund Fund (TRF) was launched in response to the COVID-19 pandemic and served as a support instrument for tour operators (Journal of Laws of 2024, items 340, 1089). An entrepreneur who could not refund their clients from their own resources could utilize the support mechanism provided by the state. The TRF was a form of loan that was to be repaid in equal monthly instalments over 6 years (Journal of Laws of 2024, items 340, 1089).

The loan was not disbursed to the tour operator but directly to the clients on behalf of whom the tour operator applied. This solution aimed to prevent abuses and served to transfer the requested amount to those recipients who were entitled to it. In order to receive the payout, both the tour operator and the client had to submit an application in the information system. When the data from the applications were automatically linked, the predetermined sum was disbursed (Journal of Laws of 2024, items 340, 1089).

From the client's perspective: Clients had the right, prior to the pandemic, to obtain a refund of the funds paid within 14 days from the termination of the contract. The imposition of additional action on them by requiring the submission of an application through the information system generated new problems. The application was detailed and labour-intensive. At the same time, simply submitting it did not guarantee a refund, as a necessary condition was the identity with the tour operator's application.

Clients had justified complaints that they had to wait too long for their money to be refunded and that the payout was contingent upon the submission of an additional application. Some of them, therefore, abandoned such a solution and pursued their rights through legal means.

Polish Tourist Voucher:

From the tour operator's perspective: The polish tourist voucher was a benefit aimed at supporting the tourism industry during the difficult period of the pandemic. Among the beneficiaries were tour operators and accommodation providers (Journal of Laws of 2023, item 35). The legislator's assumption was to allow participation in the polish tourist voucher program solely for the legally operating tourism sector (Journal of Laws of 2023, item 35).

On the other hand, the existence of such a solution always creates the temptation to act outside the law. For example, there were entrepreneurs accepting payment by polish tourist voucher for services that were not qualified under the program, such as a single tour guide service.

From the client's perspective:

Clients attempted to use the polish tourist voucher for purposes not covered by its scope (Borek and Wyrwicz, 2021). They proposed, for instance, to hoteliers to pay with the polish tourist voucher for meals in the hotel restaurant without accommodation, for which, according to the law, the polish tourist voucher could be used. Clients often tried to "force" the hotel staff to record the service in such a way that it formally met the statutory conditions (Journal of Laws of 2023, item 35).

Authors' Remarks:

Describing each situational context requires, as noted above, precise information. The complexity of contemporary informational problems necessitates cooperation on three levels:

- gathering and selecting information, analysing information sources, utilizing AI for processing large data sets;
- transforming information into knowledge, primarily by reconciling broad complexes of information, posing the right questions, including those concerning complex ethical and legal issues;
- developing appropriate procedures activated in the event of threats.

Such competencies in organizations typically belong to the compliance department, whose effective operations significantly reduce risk. However, during the force majeure situation (e.g., pandemics), procedures collide with the pressure of continuous changes in circumstances. When a travel agency faces a practical suspension of operations while simultaneously needing to communicate with clients, where any significant mistake could lead to serious legal complications, and while the company is under the scrutiny of sensationalist media, ethics increasingly

depends on psychology, on individual emotional dispositions, cooperation skills and practical knowledge of the people in managerial positions.

Level: ACTION:

The interaction of game participants, that is, the ways of reacting in the client-entrepreneur system can be illustrated using a matrix analysis. Below, we present a simplified version of such an analysis. The essence of the matter is to show the perspective of the tour operator facing demands from clients for refunds for an unfulfilled package travel. Let us assume the following arrangements:

Office Perspective:

Client accepts a voucher for future package travel- 10 points;

Office utilizes the Tourism Refund Fund - 4 points;

Office refunds the entire amount to the client - 2 points.

Client Perspective:

Acceptance of the voucher - 5 points;

Client utilizes the TRF - 3 points;

Refund from the office - 8 points.

Scoring should take into account the specifics of the relationship between the office and clients, as each situational context is different. The above proposal is based on a standard cost-benefit analysis of decisions made by the office and clients during the period of force majeure. Its purpose is not to provide a precise diagnosis but to analyse the interdependence of the interests of the tour operator and the client.

From the office's perspective, the voucher (10 points) was a cost-effective solution that did not engage financial reserves and allowed for long-term cooperation with clients.

From the client's perspective, the voucher (5 points) was a solution of significantly lower profitability. The client had to consider the necessity of adapting to the timing and nature of the new offer, which could conflict with their previous plans and was confronted with the prospect of unpredictability of package travel.

The scoring related to the TRF (4 points for the office, 3 for the client) stems from the practical application of this solution during the pandemic. However, its legal and ethical acceptability was associated with a complicated and time-consuming application process. For small companies, this was a proverbial ordeal. Larger entities with a greater number of employees (especially IT specialists) managed better.

From the clients' perspective, the situation appeared even worse. Any discrepancy between the client's application and that of the office necessitated restarting the procedure. A positive side effect from the office's perspective was that some clients

opted out of the TRF and decided to accept a later reservation or voucher (see, for example, "Your Tourism" 10, 10, 2020).

The full refund of the funds paid from the office's perspective was particularly challenging during the peak period of the pandemic (2 points). However, this low score created opportunities for long-term cooperation with clients, which is crucial in the case of iterated games. Recovering the entire amount by the client was, of course, a cost-effective solution. However, it forced the client to choose again a beneficial offer (significantly complicated during the pandemic) or to abandon the planned package travel (8 points).

The above scoring can serve as the basis for a payout table, in which the number of analysed clients has been reduced to ten. The rows represent the payouts of the office, while the columns represent the payouts of the clients.

Table 1. *Scoring*

10 5	10 5	10 5	10 5	10 5	10 5	10 5	10 5	10 5	10 5	10 5
10 5	4 3	4 3	4 3	10 5	10 5	10 5	10 5	10 5	10 5	10 5
10 5	10 5	4 3	4 3	4 3	4 3	4 3	10 5	10 5	10 5	10 5
10 5	10 5	4 3	4 3	4 3	4 3	4 3	4 3	10 5	10 5	10 5
10 5	2 8	4 3	10 5	4 3	4 3	4 3	4 3	10 5	4 3	4 3
10 5	4 3	4 3	4 3	10 5	4 3	4 3	4 3	4 3	4 3	4 3
4 3	4 3	4 3	4 3	4 3	4 3	4 3	4 3	4 3	4 3	4 3
4 3	4 3	4 3	4 3	4 3	4 3	2 8	2 8	2 8	2 8	2 8
4 3	4 3	4 3	2 8	2 8	2 8	2 8	2 8	2 8	2 8	2 8
2 8	2 8	2 8	2 8	2 8	2 8	2 8	2 8	2 8	2 8	2 8

Source: Own elaboration.

The payouts show a decreasing trend.

Horizontally:

P ₁ : 100	P ₆ : 52
P ₂ : 82	P ₇ : 40
P ₃ : 70	P ₈ : 32
P ₄ : 64	P ₉ : 26
P ₅ : 56	P ₁₀ : 20

Each payout represents a distinct legal, ethical, and financial context. In a force majeure situation, each one can serve as the basis for a specific survival strategy. Payout P₁ is the most advantageous in the short term for the office (all clients take a voucher), but from the perspective of longer-term cooperation, it may mean a loss of trust due to increased risk during the pandemic.

Payout P₁₀ is the least profitable from the point of view of the office's immediate interests. However, it builds a strong reputation, which can significantly impact future revenue growth. The problem under discussion corresponds to the already

classic "Prisoner's Dilemma" in game theory. The essence of this dilemma is the conflict between individual and social benefit.

The name itself refers to a parabolic situation where a prosecutor summons two prisoners accused of jointly committing a crime for questioning. If neither of them confesses to the crime, they will receive a low sentence of one year in prison for acts already proven. If one goes along with cooperation and betrays the other, they will be released, while the betrayed one will receive a 6-year prison sentence. If both confess, they will receive an average sentence of 3 years in prison. This dilemma is illustrated in the following payout Table:

Table 1. *"The Prisoner's Dilemma"*

		Player B	
		Confess	Not to confess
Player A	Confess	-3, -3	0, -6
	Not to confess	-6, 0	-1, -1

Source: *Own elaboration.*

Regardless of what the other party does, the temptation to gain freedom (by betraying the counterpart) and the fear of a 6-year sentence cause both prisoners to find it beneficial to testify. The payout (-3, -3) represents a Nash equilibrium in this game. However, it is an instrumental equilibrium related to the immediate benefit of the player. The payout (-1, -1) represents what is known as Pareto efficiency, which is the most advantageous solution for the players.

This occurs when the improvement of the situation for individual participants in the game is not associated with a deterioration in the situation of others (Straffin, 2004). In a one-time game, however, this solution is too risky. It requires trust, which may fail in an extreme situation. Thus, game participants, guided by immediate individual benefit, choose a solution that is disadvantageous for themselves.

Now let us imagine that the situation unfolds repeatedly in a daily market game. It is an iterative game in which high level of social trust opens the prospect of Pareto efficiency.

However, in a situation of low social trust (of which Polish culture is a particular example), the solution most often chosen by players will be the Nash equilibrium, that is, immediate, instrumental gain. In the tourism industry we are analysing (during force majeure), this could be a situation where a client initially declares the acceptance of a voucher but later changes their mind, hoping for immediate benefit.

The tour operator, in turn, responds by delaying the payout procedure, resulting in increased tension and mutual distrust. This is a tit-for-tat strategy, meaning initially cooperate, then do what the opponent did in the previous round (Roszkowska, 2010).

Authors' Remarks:

However, the above analysis requires significant, updating correction. Game theory was developed based on the rationalist paradigm of the industrial era, in which continuity and "traceability" of phenomena were considered essential conditions for sociological and empirical research. Such an approach corresponded with the ethical perspective of utilitarianism focused on the analysis of the utility of actions in the long term.

However, today, in the age of artificial intelligence and social media, continuity and traceability of phenomena are increasingly giving way to risk and uncertainty. When, in the early 1980s, Ulrich Beck described the concept of a risk society, it was not yet as alarming as it is today (Beck, 2002). Let us take a look, for example, at the aforementioned issue of trust (in business, in politics, in education - the reader may insert any aspect of social relations he deems significant).

Daily experience shows that just a few posts on Facebook or the X platform can effectively destroy a reputation, while a well-thought-out manipulative campaign conducted over six months can trigger Brexit or influence presidential election outcomes. According to many researchers of advanced AI, its uncontrolled development poses a serious threat to the foundations of civil society. It provides tools for reinforcing discrimination and prejudice, undermining the credibility of specific individuals, communities, or organizations (Hsu and Thompson, 2023).

Thus, if, for example, a certain entity in the tourism industry (a tour operator, a hotel chain, or airline) finds itself "in the line of fire" of specific interest groups, it can lose its market position (even irreversibly) in a relatively short time. The rapid development of artificial intelligence is becoming an increasingly serious challenge for human civilization.

Level: JUDGEMENT:

Every decision is a complicated psychological process. The classical approach assumed the necessity of eliminating emotions in order to make proper, that is, rational decisions. Contemporary experimental science (moral psychology, neuroscience) debunks this ancient and modern myth. Today, we realise that every decision we make requires emotional support, which completely changes our understanding of the human mind and our social relations.

The contemporary approach is entirely different from the classical one and assumes the necessity of harmonising the intuitive-emotional sphere with the rational (Mate, 2022).

A holistic understanding of the human mind and body is key to spiritual development. It is also worth adding that postmodern criticism of classical ethical concepts is not an expression of relativising the sphere of morality, but aims to reject illusions based on a false, one-sidedly rational conception of humanity.

Returning now strictly to the topic, we wish to emphasise the crucial importance of appropriate leadership in all difficult moments of an organisation's functioning that require decision-making competencies. Even in teal organisations, in exceptional situations, task teams transform into action teams with a designated leader for the duration of the action (Laloux, 2014).

The pandemic period confirmed the significance of such leadership, and the tourism industry is an excellent example of this. For many tour operators during the most challenging moments of the COVID crisis, an empathetic leader with high emotional intelligence was a *sine qua non* condition for survival in the market. It is worth recalling that in 2020 alone, 310 travel agencies decided to suspend operations, which is nearly 7 percent of all such enterprises in Poland.

Moreover, the tourism industry also includes hotels (9,500 suspended operations in 2020), agents, intermediaries, and tourist service points (Forsal.pl, 2020). Such a profound crisis for the entire industry was an inevitable generator of stress. A leader with high EQ was then worth their weight in gold, as they ensured calmness within the organisation.

Decision-making in extreme situations should not result from a command-control management style, but from expanding the sphere of trust towards employees. Calmness and trust allow for the release of hidden potential, which creates a synergy of responsibility for the fate of the entire organisation, a potential that may have previously gone unnoticed and unappreciated (Blikle, 2014).

Conflict situations that generate tension can and should be resolved at the negotiating table. An agreement reached in this way should effectively support the entire decision-making process. Let us, therefore, return to the above analysis of the relationship between the travel agency and clients, this time in the context of negotiations. Let us recall the basic concepts.

BATNA – Best Alternative to Negotiating Agreement

WATNA - Worst Alternative to Negotiating Agreement

MLATNA – Most Likely Alternative to Negotiating Agreement

ZOPA - Zone of Possible Agreement.

Example Negotiations from the Tour Operator's Perspective:

BATNA - bank loan up to PLN 400,000, contingent upon maintaining financial liquidity

WATNA - loss of financial liquidity and prospect of company bankruptcy

MLATNA - lower loan amount depending on financial condition

ZOPA - compromise zone defined by the lower and upper limits of an agreement with clients.

The situation is as follows. The tour operator has refunded money to several dozen clients for a package travel that did not take place, but refunding another ten clients would mean losing financial liquidity, i.e., lacking funds for the regular payment of salaries and obligations to subcontractors. Such a prospect nullifies the tour operator's chances of obtaining a high bank loan. This means setting an upper limit on payments, e.g., we cannot pay more than the next seven clients. In this case, negotiations involve balancing in the zone defined by better solutions.

The payout table presented above can serve as a foundation for preparing negotiations with clients. Naturally, such simulations should be far more precise and closely tied to the specific situational context. However, their usefulness is always burdened with risk due to the dynamic and unpredictable nature of any negotiation process.

In contemporary practice, the optimal negotiation model, which enjoys international recognition, is the concept known as the Harvard Negotiation Project. Developed in the 1980s by R. Fisher and W. Ury, it inspired the publication of two books: "Getting to YES: Negotiating Agreement Without Giving Up" (Fisher, Ury, Patton, 2011) and "Getting Past NO: Negotiating in difficult situations" (Ury, 2003).

Both works, written in a remarkably simple and practical language, should be an essential part of the intellectual toolkit of every manager. In today's conflict-ridden world, the Harvard Negotiation Project is highly effective. It is also a flexible project, allowing the negotiation style to be adapted to specific conditions. Its core premise is as follows: negotiation is not a battleground for proving one's superiority, but an ethical framework for achieving common goals.

Let us outline the main principles of the Harvard model:

Separate people from problems: Remember that negotiations do not involve abstract groups or institutions, but real people with specific emotions, characters, and value systems. Be soft on people, tough on problems. Contrary to stereotypes, it is possible to reconcile a firm defence of your position with respect for all participants in the negotiation.

Focus on interests, not positions: In the case of a tour operator and clients, the shared interest is long-term cooperation. During the pandemic, a solution like vouchers was implemented, although initially, the benefit was greater for the agency. The problem, however, was that immediate gain, such as demanding an instant refund, often outweighed mutual benefit.

Prepare BATNA in case the agreement is not signed: BATNA is a lifeline and an emotional basis for negotiation effectiveness.

Explore multiple options for solving the problem: In this aspect of the Harvard Negotiation Project, game theory may again prove useful. Analysis using payoff tables facilitates the selection of at least a few advantageous solutions leading to an agreement.

Use objective criteria: Avoid subjective judgments or opinions that could influence the course of negotiations. Accepted solutions include price criteria, such as the average market price, or international quality management systems. In tourism, important criteria are the certified standards set by ISO 9001, ISO 14001, PN/N 18001, and others.

Level: VALUE:

"What if ethics will lacking?" asked Zygmunt Bauman years ago, referring to the irreversible crisis of traditional normative-code ethics (Bauman, 1995). This crisis is an inevitable consequence of a drastic rift between theory /rigid conceptual categorization/ and morality. Codes and norms eliminate the living human being, introducing the rationalist fiction of homo ethicus as the basis of morality.

However, the entire emotional sphere of the human mind, though with difficulty, is beginning to break into the ethical mainstream, along with previously completely ignored issues. Let us consider, for example, an issue as obvious, especially in mature life, as good or bad habits. "On whether we develop certain habits in our early youth depends not only a little, but a great deal, in fact everything depends", wrote Aristotle in the Nicomachean Ethics (Aristotle, 2007).

For a person with elementary life experience, this is an important, practical suggestion regarding personality development, while the thesis that any theory detached from the practice of life will teach people moral behaviour may seem controversial if not naive. Yet, it was precisely in this direction that the entire intellectual tradition of ethics evolved, striving to develop a coherent, rationalist theory without much consideration of whether it worked or not.

The philosophers creating these theories possessed high qualifications for their era. However, they did not have reliable knowledge in the field of experimental psychology and neurology and were unaware of how the human mind actually functions and what guides people's daily decisions. The rationalist illusion has entrenched an artificial and false image of man, which must be replaced by deeper, holistic knowledge of human nature.

The above remarks gain particular significance in the face of complex ethical dilemmas when one must choose the lesser evil and make a difficult decision that will not necessarily be certain or unambiguous. The following point seems obvious: one should not teach people rigid rules or code formulas, as they will get stuck at a conventional level and be helpless in difficult life situations.

The analysis of ethical dilemmas in the tourism industry presented above confirms that moral issues at the organizational level are extremely complex. They require exceptional leadership and communication skills. In special cases, force majeure actions also require appropriate emotional preparation. After all, it may happen that the inability to manage stress disorganizes the entire team's work and increases the risk of making mistakes with irreversible consequences.

In contemporary business ethics, the postulate of promoting moral values is becoming increasingly important in light of the inefficacy of dead norms and codes. Value has an open character, combining moral will and moral skill, i.e., it manifests in a concrete situation when the need arises to adapt an action to the context. The problem with moral education is that it teaches specific behaviour while overlooking situations where that behaviour may be morally wrong.

For example, truthfulness is undoubtedly a great value and an expression of respect for human dignity. However, there are situations, and all mature people understand this, where revealing the truth may cause conflict or even disaster. Similarly, compassion should be gentle and understanding in some situations, while in others, it must be firm or even severe.

Transferring the problem of values to the market and competition, it is worth emphasizing the issue of Pareto efficiency discussed earlier. This is about striving to improve one's own market position as long as this does not involve worsening someone else's situation. It is a non-zero-sum game where all participants can gain. Pareto optimum (i.e., a situation when one cannot no longer improve someone's position without worsening someone else's) is the idea of perfect competition, where social benefit dominates over immediate individual gain.

This ideal can be described on several levels. At a deeper, metaphysical level, it corresponds with the idea of unity, which appears in all mystical traditions, as well as in the concepts of modern physics. The limited cognitive abilities of humans cause them to perceive the world as divided into separate objects. This is the model of the industrial age, from which we are beginning to break free.

Discoveries in quantum physics reveal a completely different picture of the world, where we are all energy in a holistic system of interdependencies. Another level of description can simply be called a more human face of business. It is associated with the fundamental question, which we increasingly ask ourselves: does financial profit really have to dominate?

The Western paradigm of classical liberal economics, which portrays humans as rational egoists, is another intellectual construction that we have believed in uncritically. In reality, the way we perceive economic activity always depends on us as the subjects of the market game. A value-oriented business can combine individual and social benefits. This is confirmed, for example, by the idea of teal

organizations, where service to people becomes the basis of cooperation based on trust.

5. Conclusions

Classical normative ethics, focused on the individual perspective, overlooked a crucial problem in the field of management: the ethics of relationships, which is the foundation of every team's functioning. Modern quality management, i.e., the method of improving the efficiency and effectiveness of teamwork, treats the ethics of relationships as a priority in managerial practice.

The analysis presented above shows how ethics can be applied in the daily functioning of an organization. The long-standing habit of reducing moral issues to the sphere of public relations and organizational marketing is gradually giving way to the belief that this is a matter of paramount importance, without which full engagement of the entire team will not be possible.

The ethics of relationships, encompassing issues of proper leadership and the creative utilization of all employees' potential, is an essential condition for increasing the efficiency and, importantly today, the innovativeness of the entire organization.

The ethical dilemma is one method of effectively incorporating relationship ethics into the life of human teams—not only in extreme situations. Indeed, the above analysis, considering the difficult issues faced by the tourism industry during the Covid-19 pandemic, provides a striking example of the usefulness of this method. However, a deeper analysis of any organization's problems is enough to discover the creative potential of ethical dilemmas.

They have significant advantages: they are analytically interesting, can be effectively used in managerial education (MBA), teach independence in solving daily problems, and foster the responsibility of managers and employees for the team's overall results.

In many countries, the ethical dilemma has undergone a significant evolution. It is no longer just amusement for a mad philosopher, like the classically interpreted trolley dilemma. Today, it is an interdisciplinary analysis of the moral behaviour of humans in all the difficult, ambiguous situations that abound in our challenging times.

As early as 2012, the Association of Accountants in Poland announced an annual competition for the most interesting ethical dilemma. This competition has generated considerable interest among managers and journalists, especially since the pandemic, confirming the consolidation of a positive, international trend of applying ethics in everyday life.

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