Greenwashing and CSR: Walking the talk and talking the walk

Greenwashing	CSR as aspirational talk
▪ **Important recent studies:** Lyon & Montgomery (2015), Seele & Gatti (2017) ▪ **Definition:** Communication that misleads people into holding overly positive beliefs about a corporation's sustainability and responsibility performance, practices, or products. ▪ This kind of misleading communication occurs in varieties, e.g.: 　▪ Symbolic management (decoupling) 　▪ Selective disclosure 　▪ Cheap talk 　▪ Incomplete comparisons 　▪ Implied superiority	▪ **Important recent studies:** Christensen, Morsing & Thyssen (2013), Schoeneborn, Kuhn & Kärreman (2019) ▪ **Main argument:** Many attempts to talk about CSR — in terms of articulating ideals, laying down principles, contesting standards, publicizing visions, putting forward plans, etc. — have the potential to stimulate positive social change, even when such talk is not fully reflected in organizational practices. ▪ However, this holds true only under certain circumstances that foster the **performativity** of CSR talk: 　▪ Public exposure of CSR talk 　▪ True intentionality

Identifying best practices: A few important initiatives

CDP DISCLOSURE INSIGHT ACTION	SUSTAINALYTICS a Morningstar company	The Voice for Clean Capitalism Corporate Knights	MSCI	CHRB Corporate Human Rights Benchmark
Annual publication of the company A-List in relation to climate change, forrests and water security	Measure a company's exposure to industry-specific material ESG risks and how well a company is managing those risks	Annual publication of the Global 100 ranking of the world's most sustainable companies	MSCI ESG Ratings aim to measure a company's management of financially relevant ESG risks and opportunities.	The Corporate Human Rights Benchmark assesses 200 of the largest publicly traded companies in the world on a set of human rights indicators.

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3. Privacy

3.1 Essential Issues

Definition

A Comprehensive Account of Privacy:

"An individual [has] privacy in a situation with regard to others if and only if in that situation the individual [is] protected from intrusion, interference, and information access by others". (Moore, 2000)

Core elements:

**Distinction between naturally and normatively private**

Differentiation between a loss and a violation of privacy

Broad applicability

The Importance of Privacy

- Humans are social animals, and information sharing is a central feature of human connection.

- Progressively increasing levels of self-disclosure are an essential feature of the natural and desirable evolution of interpersonal relationships from superficial to intimate.

- Privacy appears to be simultaneously culturally specific and culturally universal

- Privacy as intrinsic value

- Privacy as social value

- How to understand "the privacy paradox"?

Privacy and Human behaviour in the Age of Information
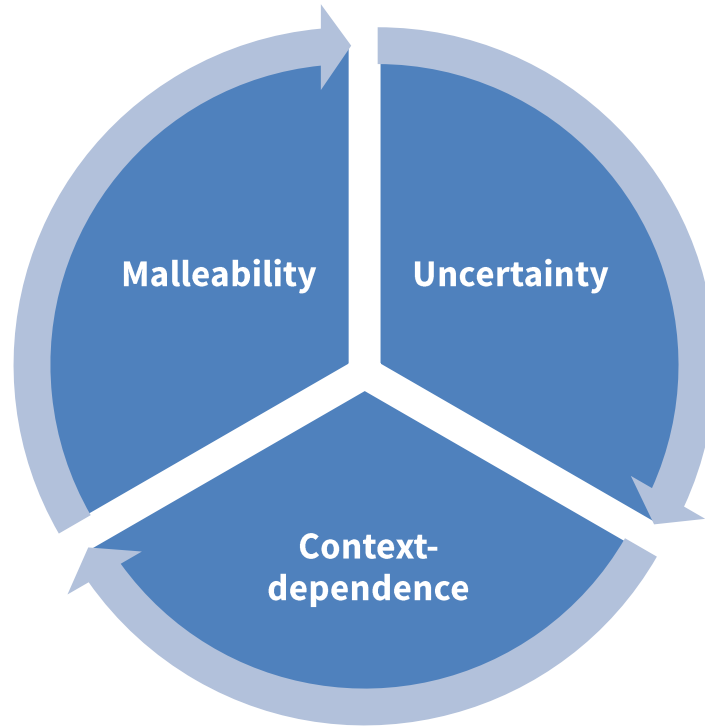
Source: Acquisti et al. (2015): Privacy and human behavior in the age of information, Science, Vol. 347, Issue 6221.

Relativism vs. Universalism

Multinational companies are continuously confronted with the intercultural dilemma between relativism and universalism

Relativism	▪ "Do in Rome as the Romans do"

| Universalism	▪ Standardization of behavior at global level

Relativism

"Normative ethical relativism claims that when any two cultures or any two people hold different moral views of an action, both can be right." (De George 2010, p. 27)

In general, three relativistic positions can be differentiated:

1. Moral judgments are considered to be merely opinions or feelings. Thus, they cannot be meaningfully judged as right or wrong.

2. Moral judgments are always influenced by their historic and cultural context. Thus, they cannot claim general validity across cultures.

3. It is assumed that no objective criterion exists which could assess the rightness or wrongness of moral judgments.
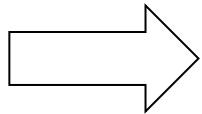
These relativistic positions imply that companies ought to adapt their values and norms to those valid in the country of interest.
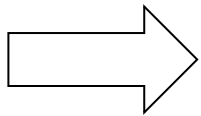
Universalism

”[M]oral universalism, based on *a priori* moral laws, claims to be applicable to all rational beings at all times and in all situations.“ (Patak 2010, p. 3)

- Universalistic positions assume that generally valid values and principles exist, which are independent of cultural, social, political and ideological contexts.

- They are based on the assumption that an objective measure of justification exists, which can justify universal values and principles, e.g. through rationality.

- Final assessments regarding the appropriateness of behaviors and mindsets are based on comparisons (right/wrong or better/worse)

Universalistic positions imply that the same generally valid values and principles are upheld within the company (including international subsidiaries).

The "golden rule" of morality

"Do unto others as you would have them do unto you."

This rule can be found in many cultures worldwide:

- Hinduism

- Konfucianism

- Ancient Greece

- Christianity

- Judaism

- Islam

Formal characteristics of moral norms

„Universalizability" (result from a process of universalization)

General validity

Impartiality

Classification of Normative Ethical Theories

Different ethical theories differ in the criteria used to determine whether an act is right or wrong.
Often, two fundamental approaches are contrasted:

Teleological Ethics	Deontological Ethics
From ancient Greek "telos": end, purpose, goal	From ancient Greek "deon": obligation, decency
The main emphasis lies on the consequences of an act.	The main emphasis lies on the act itself.
Whether an act is good depends (mostly) on the consequences of an act.	Whether an act is good depends (mostly) on its intrinsic character.

Overview: Classical Utilitarianism & Kantian Ethics

	Classical Utilitarianism	Kantian Ethics
Focus	General utility	Acts out of duty
Principle	The greatest pleasure for the greatest number of people	Categorical imperative
Assessment of acts	*"It is the greatest happiness of the greatest number that is the measure of right and wrong."*	*"Act in such a way that you treat humanity, whether in your own person or in the person of any other, never merely as a means to an end, but always at the same time as an end."*
Category	teleological	deontological

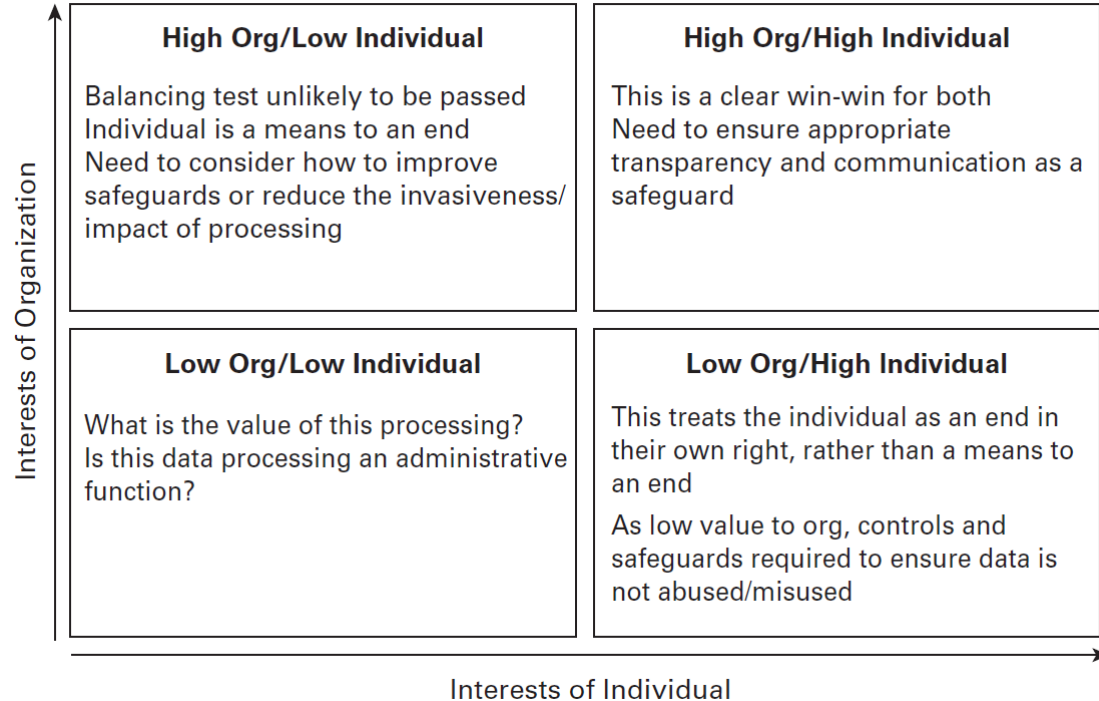# The communicative interpretation of ethics & responsibility
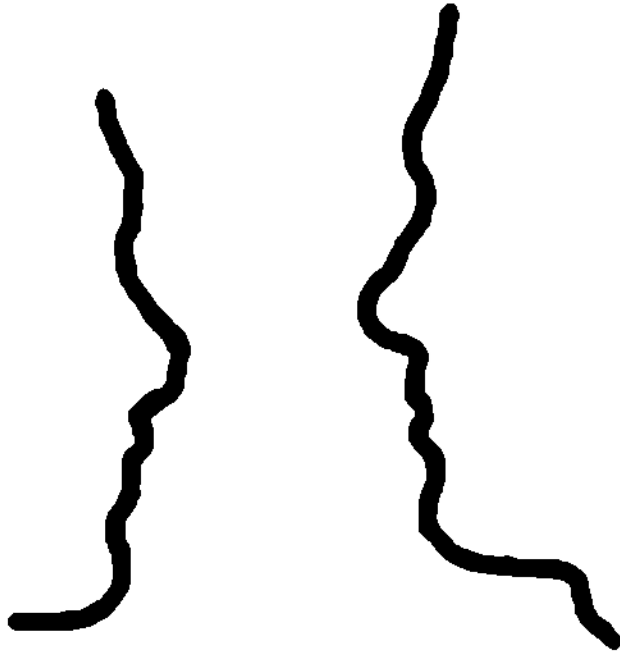
At its core responsibility is connected to the ability of human beings to respond, i.e. the ability to justify one's actions to those affected with good reasons.

The analytics life cycle

Source: O'Keefe/O'Brien (2018): Ethical data and information management

Balancing test matrix

High Org/Low Individual Balancing test unlikely to be passed Individual is a means to an end Need to consider how to improve safeguards or reduce the invasiveness/ impact of processing	**High Org/High Individual** This is a clear win-win for both Need to ensure appropriate transparency and communication as a safeguard	
Low Org/Low Individual What is the value of this processing? Is this data processing an administrative function?	**Low Org/High Individual** This treats the individual as an end in their own right, rather than a means to an end As low value to org, controls and safeguards required to ensure data is not abused/misused	

Interests of Organization

Interests of Individual

Source: O'Keefe/O'Brien (2018): Ethical data and information management

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Preparation task for the next lecture

Please **read** the paper "Privacy Issues and Data Protection in Big Data: A Case Study Analysis under GDPR" in preparation for our next class. You can find the paper in the lecture material folder on BB.

Here are a few **guiding questions** for this reading task:

• What are the key requirements of the GDPR?

• How can datasets be anonymized?

• What are the key differences between the two case studies?

• What are the essential lessons learned and conclusions of this paper?

It would be good to **prepare a few notes** (bullet points and markers in the text are sufficient) for these questions. This allows us to get straight into the discussion.