



Trinity College Dublin
Coláiste na Tríonóide, Baile Átha Cliath
The University of Dublin

Trinity Business School

Ethical & Privacy Issues in Business Data

BU 7146 | MSc. Business Analytics | Academic Year 2022-2023

Dr. Maximilian J. L. Schormair
Assistant Professor in Business Ethics

1. Introduction

Personal Introduction

Dr. Maximilian J. L. Schormair

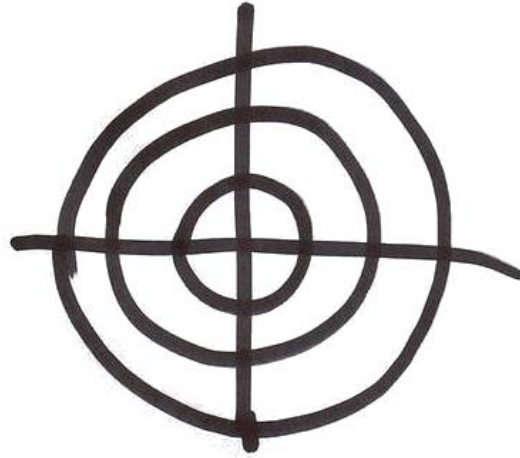
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1. Introduction



Learning Objectives

1. Identify and explain fundamental ethical and policy-based frameworks for working with business data and apply these frameworks to real-world cases
2. Describe the key concepts of privacy, algorithmic accountability, bias, explainability, surveillance capitalism, legitimacy, multi-stakeholder governance, stakeholder value creation, sustainability
3. Evaluate the ethical, legal, financial, social, political and ecological dimensions of business data analytics and integrate these dimensions into related decision-making policies and practices
4. Implement a stakeholder-oriented approach to managing and analysing business data
5. Demonstrate effective professional oral and written communications skills
6. Work effectively in a diverse team environment to generate an appropriate solution for a real-world ethical and/or privacy problem in business data

Module Outline

1. Introduction
2. Foundations of Ethics in Business
3. Privacy
4. Policy
5. Algorithmic Accountability

Module Overview I

12.10.+ 19.10. Introduction & foundations

Allocation of topics for
group presentations
6 topics, 2 groups per
topic, app. 5 students
per group

24.10. Privacy

2.11. Policy

Presentation group
1ab
Presentation group
2ab

7.11. Algorithmic accountability

Presentation group
3ab

14.11. Presentation Day & Wrap-up

Presentations of groups
4ab-6ab
Short essay deadline: 19.
Dec

Module Overview II

Short essay (individual work): Ethical algorithmic audit

- Each student is required to write a short essay
- The short essay must meet the following criteria:
 - Length: max. 2000 words excl. references
 - Times New Roman, 12pt., 1,5 spaced, upload only in pdf-format
 - No cover page required (author information in header of first page)
- Submission Deadline: 5 weeks after the last lecture, i.e. 19. Dec 2022

Reading (individual work):

It is recommended that all students read the “papers of the day” (i.e., the papers that will be presented by the groups in class) in advance

Module Overview III

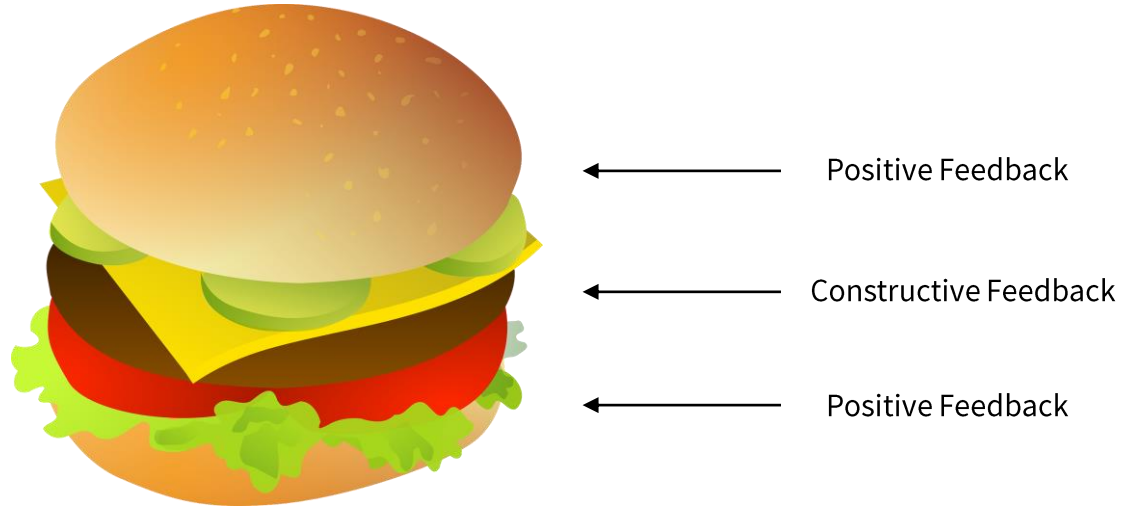
Group presentations (group work in group pairs):

- A-Subgroups: Students are required to present the key insights and arguments of an academic paper (focus on theory)
- B-Subgroups: Students need to relate the key findings of the paper to a case company of their choosing (focus on implementation)
- 15 minutes presentation subgroup A + 15 minutes presentation subgroup B + 10 minutes discussion per group pair

Peer feedback (group work):

Each group pair will take on the additional role as peer-feedback providers for a presenting group pair

General instructions on how to give feedback I



1. Introduction

General instructions on how to give feedback II

Presentation

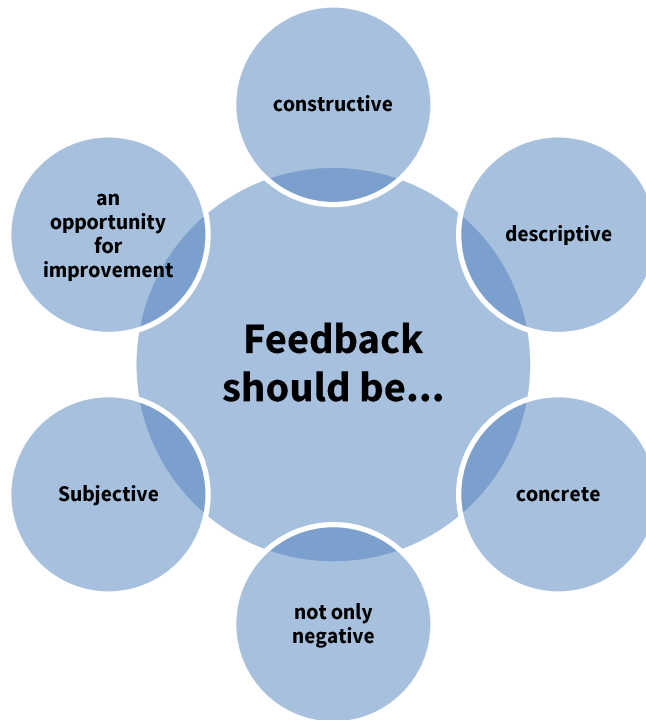
- common theme recognizable?
- structure
- interaction with the audience
- establishing links
- clarity/visuality

Language

- clarity
- speed
- sound volume

Posture

- use of space
- eye contact
- firm position
- activity



1. Introduction

Assessment Criteria

Evaluation criteria for short essays	
	Individual Assessment ¹
(1) Structure of the essay	
• The overall structure of the essay is logical and concise.	++ + 0 - --
(2) Content	
• The essay addresses all important aspects of the question.	++ + 0 - --
• There is appropriate balance between depth and breadth of analysis.	++ + 0 - --
• The content of the essay is correct.	++ + 0 - --
• Overall, the essay is of high quality.	++ + 0 - --
• The essay engages in critical reflection.	++ + 0 - --
(3) General Approach	
• The reasoning is always transparent.	++ + 0 - --
• The essay is characterized by a high quality of argumentation.	++ + 0 - --
• There are no redundancies in the argumentation.	++ + 0 - --
• The presentation is always appropriate.	++ + 0 - --
• Citations are always correct.	++ + 0 - --
(4) Formalities	
• Written expression is independent, understandable, clear and correct.	++ + 0 - --
• Spelling and punctuation are always correct.	++ + 0 - --
• The typesetting and formatting requirements are complied with throughout.	++ + 0 - --
(5) Extra Achievements (where relevant, only + or ++)	
• The essay distinguishes itself through the diligence and effort applied.	
• The essay distinguishes itself through originality.	
• The essay distinguishes itself through the depth of reflection displayed.	

¹ Scale: ++ applies completely; + mostly applicable; 0 often applicable; - rarely applicable; -- not at all applicable

Evaluation criteria for presentations				
Category		++	Individual Assessment ¹	--
Content		accurate, high quality of argumentation, adequate issue-prioritization, correct use of sources and technical terms, high responsiveness to questions	++ + 0 - --	inaccurate, important issues too short, minor issues too detailed, academic standards are not met, low responsiveness to questions
Structure		coherent and transparent outline, smooth flow of argumentation, tailored to given time frame, good coordination within the group, relation to audience and context	++ + 0 - --	incomprehensible, inept, confusing, exceeding time frame, too little in-group coordination, no relation to either audience or context
Presentation Techniques	Rhetoric	poised, clear articulation, confident, proper volume, steady rate, effective, exciting, interesting	++ + 0 - --	incomprehensible, awkward, insecure, inappropriate, inarticulate, too quiet or too loud, monotonous, too quick, no pauses, hesitant, blackout
	Body Language	attracts everyone's attention, speaks without notes , holds eye contact, friendly, relaxed posture	++ + 0 - --	eye contact missing, insecure, excessive use of notes, reserved, no orientation to audience, stiff, overexpressive, tense
	Visualization	informative charts, clear designations, clearly arranged tables	++ + 0 - --	overloaded charts or no charts at all, tables lack informative value, media use inadequate
Creativity & Criticism		special idea, content presented in a clever form, pointedly illustration of central issue, autonomy, critical perspective	++ + 0 - --	unimaginative, hardly surprising, non-independent, no critical distance from the subject/the student's own assumptions
Overall Impression		audience is reached	++ + 0 - --	audience is not reached

¹ Scale: ++ completely true; + largely true; 0 partly true; - hardly true; -- not true at all

Overview of topics

1. Privacy and human behavior in the age of information
2. The General Data Protection Regulation in the Age of Surveillance Capitalism
3. Accountable algorithms? The ethical implications of data-driven business models
4. Surveillance Capitalism and the Challenge of Collective Action
5. Make Way for the Algorithms: Symbolic Actions and Change in a Regime of Knowing
6. How to regulate algorithmic decision-making: A framework of regulatory requirements for different applications

Your perspective on the notion of value in business

Task: Discuss the following question with your group and be prepared to share your answers with the class!

Question: What does the notion of value mean to you in the context of business?

1. Introduction

Individual and group work: Value cards game

Individual work

1. Select 12 cards that spontaneously seem most important to you! (10 min.)
2. Select 6 cards from these 12 cards towards which you feel the strongest! (5 min.)
3. Choose the 3 for you most important cards and place them in order of their importance (i.e., from least to most important)! (5 min.)

Group work

Discuss with your group:

- How did this exercise make you feel?
- What was easy/difficult for you?
- What are the implications of your core values for your role as a manager analysing business data?



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2. Foundations of Ethics in Business

2.1 Relevant Terms and Definitions

Shareholder vs. Stakeholder Approach

Shareholder Approach

- Proponents: Jensen 2002, Sundaram/Inkpen 2004
- Main assumption: Companies' main objective and the management's primary responsibility is to maximize the value for their shareholders in the long term.
- Justification of shareholders' primacy in comparison to other stakeholders:
 - Ensuring effective and efficient control of companies requires a clear objective for management
 - The primacy of shareholders is contractually stipulated through their role as owners

Stakeholder Approach

- Proponents: Freeman et al. 2020, 2010, Phillips 2003
- Main assumption: Companies' main objective and the management's primary responsibility is to maximize the value for their primary stakeholders.
- Differentiation:
 - Primary stakeholders: actors who are substantial for company survival
 - Secondary stakeholders: actors who influence primary stakeholders or are influenced by them and their actions

The Basics of Stakeholder Theory

Stakeholder Management: Continuous task of balancing and integrating stakeholder interests in order to secure the long-term survival of the corporation and reach its objectives

Key questions of normative stakeholder theory:

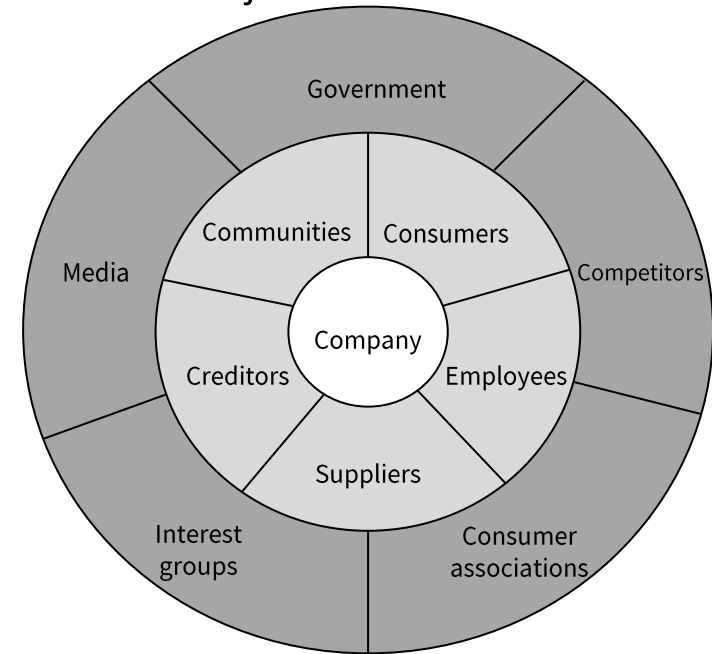
- Who are the legitimate stakeholders?
- Which legitimate claims do they have?
- Which claims should be prioritized?



Primary stakeholders



Secondary stakeholders

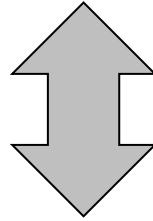


Source: Freeman/Harrison/Wicks 2007.

The Shareholder/Stakeholder Controversy



“(...) there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud”. (Friedman 1962, p. 133)



“The primary responsibility of the executive is to create as much value as possible for stakeholders. Where stakeholder interests conflict, the executive must find a way to rethink the problem so that these interests can go together, so that even more value can be created for each”. (Freeman et al. 2010, p. 28)

The legitimacy of corporations

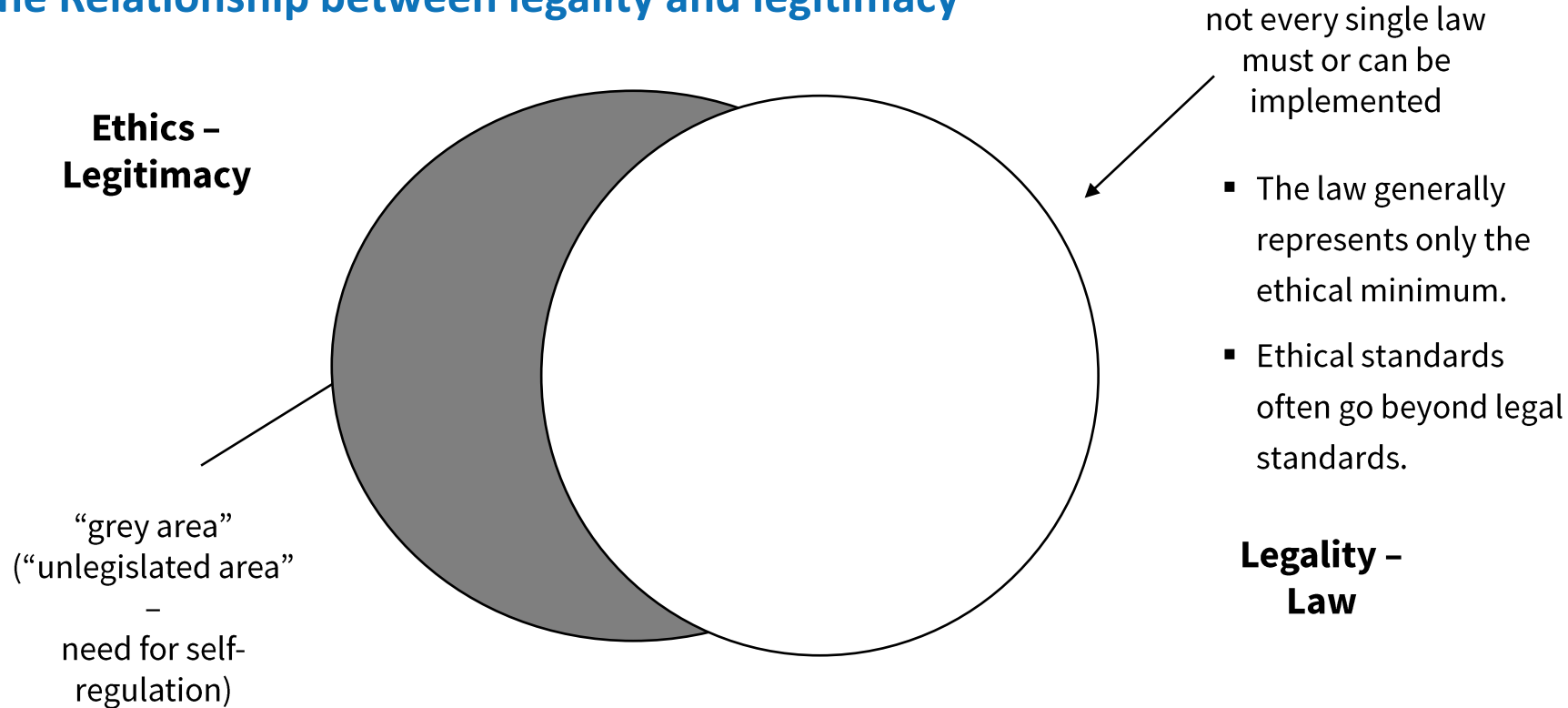
Definition:

„Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions.“ (Suchman 1995, S. 574)

Legitimacy

Corporations need to be legitimized by multiple stakeholders

The Relationship between legality and legitimacy



Corporate Social Responsibility

- So far there is no universal definition of CSR: Other terms such as “corporate citizenship”, “corporate responsibility” or “sustainability” are used synonymously
- CSR is the *responsibility of companies for their impacts on society* (European Commission 2011):



This implies:

- Compliance with all applicable laws and regulations and collective agreements between social actors
- Companies must in cooperation with stakeholders initiate processes that are geared towards the integration of social, ecological, ethical, human rights and consumer concerns into their management and strategy
- Goal: Establishing common values for a company’s shareholders and its remaining stakeholders and society as a whole

2.1 Relevant Terms and Definitions

CSR: Pyramid of Global Social Responsibility (Carroll)



Carroll (USA): “Corporate social responsibility encompasses the economic, legal, ethical, and philanthropic expectations placed on organizations by society at a given point in time.” (Carroll/Buchholtz 2000, p. 35)

Characteristics of Corporate Social Responsibility



- **Voluntary nature:** Responsibility beyond the legal minimum
- **Managing external effects:** Internalization of side-effects of business activities
- **Orientation towards stakeholders:** Assume responsibility for shareholders and further stakeholders
- **Balancing social and economic interests:** Manage conflicts between CSR and profitability
- **Practices and values:** Normative dimension of CSR
- **More than philanthropy:** Integration of CSR into the core business

Source: Own depiction based on Crane/Matten/Spence 2014.



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The End of Lecture 1