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# Ethical Decision Making and Sustainable Development in Green Washing

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## Abstract

*The pursuit of sustainability has become a pillar of corporate responsibility in the quickly changing business environment of today. But despite the admirable attempts to embrace eco-friendly behaviors, a disturbing occurrence called "greenwashing" endures. The false representation of a company's environmental activities as more environmentally friendly than they actually are is known as "greenwashing." In this piece, we explore the vital nexus between sustainable development, moral decision-making, and the widespread problem of greenwashing. The foundation of corporate conduct is ethical decision-making, which is based on principles like accountability, respect, justice, and reliability. This paradigm gives company owners the ability to tackle problems fairly and with concern for all parties involved, carefully assessing their options to make moral decisions. In addition to fostering trust, fostering an ethical culture makes ensuring that business.*

**Keywords:** Ethical Decision Making, Sustainable Development, Greenwashing, Corporate Responsibility, Transparency, Greenwashing

A deceptive approach known as "greenwashing" involves misrepresenting a business, item, or service as sustainable or environmentally beneficial when it is not. Using the terms "green" (a sign of environmental friendliness) and "whitewashing" (a term that refers to hiding or distorting undesirable features) results in this concept. Greenwashing is essentially the practice of deceiving stakeholders or consumers through making false claims regarding a company's or its goods' environmental benefits or sustainability through branding, marketing, or advertising initiatives.

## The Concept of Greenwashing

1. **Deceptive Labels:** Businesses may utilize confusing or imprecise language in advertisements or product labels to suggest environmental benefits without supplying concrete proof or certification.
2. **Exaggerated Claims:** Businesses may make unsupported claims about the environmental friendliness or sustainability of their products or services, exaggerating the influence these have on the environment.
3. **Selective Disclosure:** Businesses may reveal some environmental activities that are good while hiding or minimising other environmental impacts or unsustainable business practises.
4. **Tokenism:** Companies may engage in superficial or symbolic gestures of environmental responsibility (such as planting a few trees or sponsoring a recycling campaign) to create the perception of sustainability without implementing meaningful changes.

Genuine efforts toward sustainability are hampered by greenwashing, which also erodes consumer trust and distorts market signals. It emphasizes how crucial consumer education, regulatory monitoring, and corporate responsibility are to guaranteeing that environmental claims are validated and companies maintain morally and environmentally sound operations.

## Examples of Greenwashing

The Federal Trade Commission provides numerous examples of greenwashing along with its voluntary rules for making false claims about green marketing.

a collection of instances of unsupported statements that fall under the category of “greenwashing.”

- A new shower curtain is packaged in plastic with the label “recyclable.” It’s unclear if the shower curtain and the packaging are recyclable. If the packaging or any of its contents—aside from small parts—cannot be recycled, the label is misleading in either scenario.
- The label of an area rug reads, “50% more recycled content than before.” In actuality, the manufacturer raised the percentage of recycled material from 2% to 3%. While technically accurate, the message gives the incorrect impression that the rug has a large percentage of recycled material.
- The word “recyclable” is printed on a trash bag. The likelihood of garbage bags being utilized again for any reason is quite low because they are typically not segregated from other rubbish at the landfill or incinerator. The assertion of an environmental advantage where no significant benefit exists makes the claim misleading.

## Types of Greenwashing

One prevalent type of greenwashing is the use of deceptive labeling or the hiding of environmentally unsound practices in the fine print. This can involve using ambiguous and unverifiable terms like “sustainable” or “eco-friendly.” Even if a product isn’t environmentally friendly, it can still be implied by using images of wildlife or the natural world. Additionally, businesses may selectively use study findings to emphasize environmentally friendly actions while hiding negative ones. Such data may even originate from skewed research that the business finances or conducts internally.

## Understanding Ethical Decision Making

Devoted to values like honesty, justice, and responsibility, ethical decision-making is fundamental. Businesses must emphasize actions that not only produce profit but also protect the environment and advance social well-being when making ethical decisions in the context of sustainability. It entails closely assessing the possible effects that corporate actions may have on stakeholders and the environment.

### **Benefits of Ethical Decision-Making in Business**

The process of making ethical decisions requires carefully analyzing the options and considering if there is a more morally sound option that would still allow the firm to achieve its goals. It necessitates a keen understanding of moral issues and a dedication to choosing the path that most closely adheres to moral standards.

### **Improved Reputation and Customer Loyalty**

Even in the face of difficulties, making moral decisions is still crucial, especially when dealing with difficult choices that could compromise the integrity of the company. Business leaders can make decisions that are in line with their ethical code by using ethical reasoning to negotiate morally difficult situations with clarity and honesty.

### **Enhanced Employee Satisfaction and Retention**

Making moral decisions has rewards for the company that go beyond just personal fulfillment. Customers are drawn more and more to ethical brands whose principles align with their own, which improves brand recognition and increases customer loyalty.

### **Increased Productivity and Efficiency**

Employee satisfaction and retention are increased when an ethical work environment is fostered, since employees are more likely to associate with companies that share their values. Consequently, this fosters an environment of confidence and authority, increasing output and effectiveness inside the company.

### **Reduced Legal and Financial Risks**

By protecting against the fallout from unethical activity, ethical decision-making reduces legal and financial risks. Following through on contractual commitments and moral principles reduces the risk of legal action and associated costs, protecting the integrity and viability of the company. Ethical decision-making is, in summary, critical to a business's long-term performance, reputation, and stakeholder trust. It is also a strategic requirement. Businesses may cultivate a culture of integrity, accountability, and sustainability and establish themselves as ethical leaders in respective sectors by giving ethical principles top priority during the decision-making process.

### **Integrating Ethics and Sustainability**

Ethics must be incorporated into sustainability efforts by firms in order to prevent greenwashing and maintain moral standards. To achieve this, openly disclosing environmental practices, upholding strict environmental regulations, and committing to ongoing improvement are required. Companies can establish credibility, cultivate consumer trust, and accelerate real progress towards sustainability by integrating ethical concepts into their business activities.

### **Role of Stakeholders**

Holding corporations responsible for their environmental promises is a critical function of stakeholders, such as investors, customers, and government agencies. As investors evaluate a company's sustainability policies when making an investment, knowledgeable consumers are putting more and more pressure on businesses to be transparent and real. Regulatory frameworks can also be helpful since they provide explicit instructions and enforce adherence to moral principles.

## **Greenwashing and its Implications**

Greenwashing is the practice of deceiving stakeholders and customers about a company's environmental policies and sustainability commitments, which presents serious ethical issues. This behavior erodes credibility and trust, which could have negative effects on one's reputation and result in legal issues. Numerous tactics used by businesses to participate in "greenwashing" have been identified by empirical study. These tactics include selective information disclosure, ambiguous or deceptive labeling, and exaggerated claims of environmental advantages.

## **Ethical Decision-Making Processes**

Organizations must weigh the long-term sustainability of their decisions against the temporary benefits in order to make ethical decisions that are both effective and morally sound. That means being open and honest with one another, carrying out thorough analyses of the effects on the environment, and following rules and licenses. To encourage employees to operate in accordance with ethical standards, ethical leadership is essential in developing a culture of integrity and responsibility within firms.

## **Sustainable Development Goals (SDGs) and Greenwashing**

The Sustainable Development Goals (SDGs) established by the United Nations offer a framework for tackling issues such as inequality, poverty, and environmental degradation. The spread of "greenwashing," however, jeopardizes both objectives by sabotaging initiatives to advance true sustainability and conscientious consumption. Governments, corporations, and civil society organizations must work together to combat greenwashing in order to impose laws, improve transparency, and give consumers the power to make educated decisions.

## **Challenge of Greenwashing**

A major obstacle to real sustainability efforts is greenwashing. Greenwashing is a method of businesses creating false or misleading statements about the environment, covering their harmful effects, and labeling products as eco-friendly when they are not. These types of actions damage client trust and impede the achievement of important goals related to sustainability.

## **Difficulties of Using Ethics in Sustainability**

It is crucial to approach sustainability issues from an ethical standpoint, but it can be challenging to define precisely what must be taken into account and make sure that the opinions of all relevant parties are taken into account. The difficulty of resolving these issues is demonstrated by overarching questions such "Should moral rights be extended to nature?" and "Do humans have an obligation to protect future generations?" None of these issues have a single, straightforward response, and figuring out what compromises need to be made in order to find a solution is a difficult undertaking. One example of a complex sustainability question that can be challenging to resolve is the one about the factors determining ecosystem health vs. human requirements. Does ecosystem health

The application of sustainability ethics to major concerns is made more challenging by its relative complexity to other types, such as environmental ethics. In contrast to environmental ethics, which primarily focuses on the interactions between people and the natural world, sustainability ethics addresses the current and future intersections of the environment, the economy, and humankind.

Given the inherent human limits, it might be tricky to completely understand the viewpoints that come with adopting this ethical mentality. Because they differ so much, it is difficult to conceptualize social structures, cultural customs, and career opportunities from one location to another. This is prior to the time component even being taken into account. Humans now have no

accurate sense of what future generations will need when it comes time to assess their needs. Future generations' values and the nature of their world are unknown. Thus, in order to determine what the fundamental wants of humans are, scientists and ethicists of today will have to rely on informed assumptions based on past events and future projections.

Additionally, humans are unable to interact directly with nature and ascertain what the requirements of various plant and animal species are. People must rely on fundamental ethical ideas and questions to make sure that nature is treated equitably because morality in regard to it is still a topic of controversy. Humans must clearly identify their relationship to nature, as well as the best ways to ensure that it is respected both now and in the future, in order to lay the groundwork for meeting these environmental needs.

### **Case Study: The Sydney Harbor Tunnel**

When Sydney, Australia's Sydney Harbor Tunnel was constructed in 1992, locals had a new way to get to the city's central business sector. Despite the fact that there was already an alternative route to the region via the Sydney Harbor Bridge, officials contended that tunnel construction would reduce traffic jams, auto accidents, and the amount of time people spent on the roads. Australia's officials aimed to protect the current bridge because it is a well-known monument there and has significant tourism value. In addition to these social advantages, the tunnel project's supporters thought that by lowering total energy consumption and the number of auto accidents, it would spur economic growth.

The regulations governing the construction of the tunnel mandated that the project managers prepare an Environmental Impact Statement (EIS), which is composed of three primary sections: an assessment of the project's potential environmental effects, a justification for project approval, and a proposal for alternative solutions. Even after the EIS was finished, its authors faced criticism for overstating the tunnel's overall advantages while underplaying its true environmental impact. They expressed their support for the project and claimed that there would be little negative impact on the environment.

In addition to demonstrating why it is crucial to take into account all types of ethics when performing assessments like the EIS, this instance also illustrates economic and social ethics because the construction of the Sydney Tunnel saves people energy and time while also lowering the number of auto accidents. In this instance, the organizers of the Sydney Tunnel project had the option of assigning the EIS to anybody they desired, implying that they could have selected those who they were certain would back their plans regardless of the effects on the environment. This is indicative of a larger national trend in which projects prioritize possible profits over environmental preservation. In this case, the corporation did take social and economic ethics into account because they intended to construct a new tunnel that would save time and energy, lower the number of auto accidents, improve general human wellbeing, and spur economic growth. Committees discovered that although though an EIS was carried out, the impacts on the local marine ecosystem and the general air quality as a result of increasing pollution were not adequately represented. An objective EIS produced by a third party might have guaranteed that all ethical considerations were made equitably so that any potential repercussions, whether they were environmental, economic, or The debate surrounding the Sydney Harbor Tunnel serves as an illustration of what occurs when decision-makers only take into account two of the three sustainability pillars and how cooperation might better serve the interests of a wide range of stakeholders.

## Conclusion

In summary, making ethical decisions and promoting sustainable development are mutually essential for ethical business practices. Companies need to be on the lookout for the dangers of greenwashing as they attempt to negotiate the challenging terrain of sustainability. By placing a high value on honesty, openness, and environmental responsibility, companies can reduce the dangers of greenwashing while simultaneously making a beneficial contribution to sustainable development initiatives. By doing this, they fulfill their moral commitments, encourage customer trust, and open the door to a more sustainable future.

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