

## GREEN SHEEN IN - DREARY ZONE OUT: AN ANALYSIS OF THEORETICAL FRAMEWORK WITH REFERENCE TO CSR

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### Abstract

Over the past 20 years, academic research on green sheen has grown in parallel with public concern, and a substantial amount of literature has been produced on the topic. Therefore, we analyze the green sheen research in this study in order to present an evaluation of the field's trends and advancements as well as a synthesis of the conceptual and empirical findings offered in earlier studies. Our theoretical contribution is primarily guided by the criticism found in the literature on green sheen, which maintains that the growth of green sheen is facilitated by the CSR (Corporate Social Responsibility) approach's entirely voluntary character. The literature on CSR still generally accepts the idea of voluntary CSR, despite the fact that it appears to be a grey area that permits misleading "green" advertising. Therefore, we propose that the best strategy to prevent green sheen would be to combine mandatory and voluntary measures. Effective corporate social responsibility activities should be encouraged by the new paradigm as it shapes the parameters and criteria for their accomplishment and communication. This is due to the fact that when businesses overextend their CSR messages, they run the risk of breaching the law.

**Keywords:** Green Sheen, Corporate Social Responsibility, CSR Communication, Obligatory CSR.

### INTRODUCTION

The public conversation around corporate social responsibility (CSR) in the last few decades has mostly been on how corporations are using social and environmental claims for their own financial gain. In this sense, an increasing number of firms are facing the charge of "not walking the talk," which denotes the absence of genuine business activities to support their corporate social responsibility (CSR) declarations about environmental or social issues (Walker & Wan, 2012). This type of disconnect between socially aware words and deeds is sometimes referred to as "greenwashing." In the thirty years since the term "greenwashing" was first used, the practice has grown considerably and gotten more complex (Walker & Wan, 2012).

According to Furlow (2010), the media's discourse on "green sheen" has risen in lockstep with the proliferation of environmental disinformation, which has become increasingly pervasive and alarming. Many non-governmental organizations (NGOs), such as Terra Choice and Greenpeace, serve as "watchdogs" or market observers these days. In addition, the media is becoming increasingly concerned about the causes and consequences of "green-sheen" (Du, 2015). Thus, consumers are becoming less and less persuaded that corporate environmental assertions are real (Lyon & Montgomery, 2013).

Academic study has expanded in tandem with the dramatic growth in public concern over greenwashing over the past 20 years, and there is now a sizable body of literature covering greenwashing-related topics.

A survey of the literature is required to comprehend how academics have conceptualized and addressed the phenomena, given the topic's significance and reality in the public and academic CSR discussion. To classify the many forms of greenwashing that have been studied in the literature, as well as its implications and ramifications for business and society, additional study is necessary as numerous and often contradictory classifications have been offered thus far (Lyon & Montgomery, 2015; Seele & Gatti, 2017). Only one article—as far as we know—has examined the scholarly discussion around greenwashing. Lyon and Montgomery's (2015) work provides valuable insights and future research topics by concentrating on the methods and goals of greenwashing. They should update their thorough examination of the literature, though, as it ends in 2013 with 34 publications altogether. We therefore intend to expand on Lyon and Montgomery's analysis of the literature on greenwashing by including more than twice as many papers as they did. This will allow us to identify and discuss new issues in the fields and provide a structured summary of the conceptual and empirical results that have been presented in previous studies. The complaint made in the literature on green sheen—that the spread of greenwashing is aided by a completely voluntary and uncontrolled approach to corporate social responsibility—is the key finding that informs our conceptual contribution. In fact, the prevalent voluntary procedures used today provide room for murky areas that permit deceptive messaging. But an all-inclusive mandate might also encourage the development of grey areas where businesses try to find methods to circumvent the law. This is especially true in the linked and globalized world of today, where the lack of regulation necessitates the use of self-organizing mechanisms due to globalization (Scherer et al. 2006).

## **THEORETICAL BACKGROUND**

We carried out a thorough examination of the literature to find trends and advancements in the subject and to give a summary of the key topics covered in the literature. Review articles do, in fact, contribute to the identification of important topics pertinent to the subject and to the synthesis of the major approaches and research procedures employed, together with the significant trends and viewpoints that have been covered (Randolph, 2009). According to Randolph (2009), an electronic search of scholarly databases and the Internet should be the first step in the data collecting process for a systematic and trustworthy literature review. Therefore, we used keyword searches on Google Scholar and the ABI/Inform Global database, which is thought to be the most comprehensive source of information on business research (Lyon & Montgomery, 2015), to find the academic literature on green sheen. We started by doing a broad search on the ABI/Inform database to evaluate the scope of the literature including the phrase "greenwashing." As a result, we chose English papers that were published in academic journals and applied the keywords "greenwash" or "greenwashing" to every field (including the title, abstract, keywords, and full text of articles). Through this search, 1.273

articles covering the years 1995 through 2018 were found.<sup>2</sup> The Journal of Business Ethics leads the many publications that publish articles concerning greenwashing in terms of published articles (212), followed by the Journal of Cleaner Production (97), and the Social Responsibility Journal (29). In order to determine which journals rank highest for research on greenwashing, Table 1 lists the journals that publish more than ten papers mentioning "green sheen."

136 academic publications were produced as a result of this screening procedure. Following an evaluation of the content, 62 articles were not included in the study. Some publications featured an English title and abstract but the content was not in English, or they addressed greenwashing in the title and/or abstract but did not make green sheen a primary concept or variable. The ABI/Inform search did not provide any relevant publications, thus the same keyword searches were used to find them on Google Scholar. We found and added twenty scholarly publications to our sample that were not in the ABI/Inform list. The remaining publications that came up in the Google Scholar search either fit the prior sample exactly or were non-academic works. In December 2018, the final list—which included 94 scholarly papers—was updated and completed.

### Quantitative Data Analysis

We first classified the 94 academic articles based on a number of variables in order to evaluate the state and evolution of the academic literature on greenwashing: the year of publication; the type of research (empirical research, conceptual paper, literature review); the methodological approaches (qualitative, quantitative, mixed method); the methodological techniques (case study, content analysis, model development, analysis of secondary data, survey research method, experimental research method, focus group, visual sociology technique); the scope of the research (accounting, business ethics, corporate communication, economics, finance, law, management, political economics), the focus of the research (environmental issues, social issues, environmental and social issues, ethical issues); and the theoretical framework.

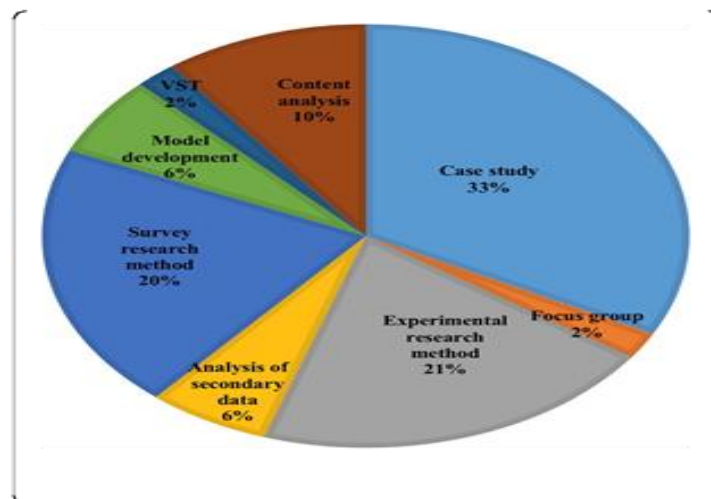


Figure 1: Methodological Techniques in Greensheen Empirical Research

## Analysis of Research Findings

Category of research finding	Description of category/subcategories	References (ordered per year of publication): <i>Description of findings</i>
1. What is greenwashing	Examples and explanations of greenwashing cases and tactics to better understand and describe the phenomenon.	<p>Marciniak, 2009: <i>The article presents common mechanisms of ecological marketing and shows how greenwashing works in practice. It discusses six signs of greenwashing: 1. Hidden trade-off, 2. Fibbing, 3. Irrelevance, 4. No proof, 5. Vagueness, 6. Lesser of two evils.</i></p> <p>Budinsky and Bryant, 2013: <i>The article reports three examples of advertisement campaigns (Clorox Green Works cleaning products, the Ford Escape Hybrid, and Toyota Prius motor vehicles) in order to highlight the ways in which companies undertake greenwashing.</i></p> <p>Thomas, 2014: <i>The article reveals that many corporate reports contain ambiguous presentations of information, and in particular photography is susceptible to both misinforming and disengaging the reader.</i></p> <p>Lyon and Montgomery, 2015: <i>The article highlights several varieties of greenwash: Selective disclosure, empty green claims and policies, dubious certifications and labels, co-opted NGO endorsements/partnership, ineffective public voluntary programs, misleading narrative and discourse, misleading visual imagery.</i></p> <p>Seele and Gatti, 2015: <i>The article introduces a new categorization of greenwashing-related phenomena based on the intersection between two variables: the consistency (falsity) of corporate communication and the presence of an accusation from an external party. The resulting matrix identifies 4 different greenwashing cases: greenwashing, false greenwashing (the falsity is in the accusation), potential greenwashing (false message but no accusation), no greenwashing.</i></p>
2. Antecedents and drivers of greenwashing	Internal and external conditions that favor the diffusion of greenwashing.	<p>Watson and Mackay, 2003: <i>The article suggests that as long as environmental accounting continues to be a voluntary activity over which the corporations have total control, there must be a real danger of businesses either ignoring the process entirely or of skewing their environmental reporting in order to "greenwash" their accounts.</i></p> <p>Alves, 2009: <i>The article argues that the volunteer-led corporate social responsibility (CSR) paradigm of the last decade has both coddled and promoted the proliferation of "green spin."</i></p> <p>Ekstrand and Nilsson, 2011: <i>The article criticizes the Danish Consumer Ombudsman (containing guidelines for when and how environmental and ethical claims can be used in marketing) to be very ambitious in the requirement for environmental and ethical claims to be adequately documented.</i></p> <p>Mitchell and Ramey, 2011: <i>According to the article, consumers are, to some degree, culpable for some of the greenwashing 'sins' organizations commit as they strive to meet customers' demands. Companies are then primed to meet the consumers' demands and attempt to capitalize on that – which may result in greenwashing.</i></p> <p>Budinsky and Bryant, 2013: <i>The article claims that the existing system of advertising discourses encourage individualism, greed, and consumption, all of which undermine collective social issues, such as those related to the environment.</i></p> <p>Mahoney et al., 2013: <i>The article suggests that firms that voluntarily issue standalone CSR reports generally have higher CSR performance scores. Therefore, CSR report is a signal of high CSR and not greenwashing.</i></p> <p>Bazillier and Vauday, 2014: <i>The article criticizes the strategic approach to CSR (instrumental CSR). According to the paper, this way of conceiving CSR favors the diffusion of greenwashing because it discourages the pursuit of socially responsible aims that do not maximize profit.</i></p> <p>Kaylene et al., 2014: <i>According to the article, the challenge of greenwashing is complicated by the current context characterized by unregulated green claims and imperfect information.</i></p> <p>Hummel and Festl-Pell, 2015: <i>The article highlights the shortcomings of existing disclosure guidelines to adequately account for material sector-specific sustainability issues.</i></p>

Category of research finding	Description of category/subcategories	Reference (ordered per year of publication): Description of findings
3. Consequences of greenwashing	A. Consumers: Consequences and effects of greenwashing related to consumers' attitudes, behaviors, and intentions.	<p>Furlow, 2010: <i>According to the article, consumers may become confused about which products actually do help the environment.</i></p> <p>Prguel et al., 2011: <i>The article claims that a poor sustainability rating associated with CSR communication has a negative effect on consumers' brand evaluation.</i></p> <p>Mason and Mason, 2012 <i>The article shows how corporate environmental reports use ideological persuasion to promote a responsible image and to influence consumers' opinion about corporate environmental sustainability.</i></p> <p>Nyilasy et al., 2012: <i>According to the article, while under positive firm performance green advertising results in higher attitudes toward the brand than general positive corporate messaging, under negative firm performance green advertising results in significantly lower brand attitudes than when a general corporate message is used.</i></p> <p>Chen and Chang, 2013: <i>The article suggests that greenwashing negatively affect consumer green trust. Moreover, the green consumer confusion and green perceived risk mediate the negative relationship between greenwashing and green trust.</i></p> <p>Chen et al., 2014: <i>The article demonstrates that greenwashing does not only have a direct negative effect on consumer word of mouth (WOM), but it has also an indirect negative effect on it via consumer green perceived quality and green satisfaction.</i></p> <p>Nyilasy et al., 2014: <i>The article suggests that the negative effect of a firm's low performance on consumers' brand attitudes is stronger in the presence of green advertising (greenwashing) compared to general advertising and no advertising. Moreover, when the firm's environmental performance is high, both green and general corporate advertising result in more unfavorable consumers' brand attitudes than no advertising.</i></p> <p>Rahman et al., 2015: <i>According to the article, consumers are increasingly aware of greenwashing and, as a consequence, they are becoming more skeptical of businesses' green claims.</i></p>
		<p>Aji and Sutikno, 2015: <i>According to the article, greenwashing has a positive correlation with green consumer skepticism, perceived consumer skepticism, and green perceived risk. However, the results suggest that the aforementioned variables have no effect on switching intention. Therefore, although consumers are skeptical and perceive certain risks, they do not easily decide to switch to another non-green product.</i></p> <p>De Vries et al., 2015: <i>The article suggests that consumers perceive less corporate greenwashing when an energy company communicates an economic motive than when it communicates an environmental motive for the investment. Moreover, the effect of communicated motive on perceived corporate greenwashing is mediated by skepticism towards the strategic organizational behavior.</i></p> <p>Parguel et al., 2015: <i>According to the article, evoking nature does mislead consumers in their evaluation of corporate ecological image, especially if they are not expert of environmental issues. Moreover, the study suggests that introducing a raw figure indicating the actual environmental performance is not sufficient to help non-experts in revising their opinion, accompanying the figure with a traffic-light label eliminates 'executional greenwashing' and works effectively for both experts and non-experts.</i></p> <p>Rahman et al., 2015: <i>Following the article, due to the diffusion of greenwashing, a superficial and sporadic communication of hotel's environmental claims evokes consumers' skepticism, which in turn has a negative influence on consumers' intention to participate in the linen reuse programs and decrease their intention to revisit the hotel.</i></p> <p>Akturanj 2018: <i>According to the article, greenwashing negatively affects green brand associations and brand credibility, and therefore, indirectly influence green brand equity and purchase intention.</i></p> <p>Lim and Kim, 2018: <i>According to the article, a knowledge intervention significantly aids consumers to identify the misleading nature of vague claims, while still perceived false eco-labels as a genuine claim. The findings support that green consumers are likely to accept deceptive environmental ads because of their sincere desire to protect the environment.</i></p> <p>Zhang et al., 2018: <i>Greenwashing perception has a direct negative effect on green purchasing intentions. Green WOM plays a partial mediating role between greenwashing perception and green purchasing intentions. Further, green concern strengthens the negative relationship between greenwashing perceptions and green purchasing intentions.</i></p>

## DISCUSSION

Following our content analysis, three distinct themes that are hotly contested in the literature were found. This essay discusses the definition of "greenwashing," its principal effects, and the current idea that CSR should function as a kind of regulator to stop greenwashing. This study offers researchers and practitioners of greenwashing a tool to better grasp the key consequences and features of the phenomena by evaluating the body of current literature on the subject. Furthermore, it advances CSR theory by promoting contemplation on the connection between regulation and CSR by providing and debating greenwashing literature.

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