

What do the machines think? Four generative AIs on what businesses should do when their industry associations go rogue

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The prompt

"Suppose a corporation x is member of a trade association such as the US Business Roundtable. The corporation x has made determined commitments to sustainability and the importance of ESG factors in its work. Now the trade association is coming out with a lobbying statement that opposes and actively seeks to obstruct the further development of ESG, the very things that corporation x supports. Is it the right thing to do for corporation x to stay a member of this trade association? How do you judge this from an ethical point of view?"

The respondents

The free, off-the-shelf versions of four leading genAI systems: ChatGPT, Gemini, Claude, Grok, all in normal query (not deep research) mode.

The replies

ChatGPT

When a company publicly commits to environmental, social, and governance (ESG) goals yet belongs to an industry group that lobbies explicitly against those very goals, it faces a sharp conflict between (a) the benefits of collective action through trade associations and (b) the ethical imperative of integrity and non-complicity. Below is an ethical framework for thinking through whether corporation X should remain a member:

1. Clarify the Conflict

- **Company's stance:** Full-throated support for ESG as central to its license to operate, long-term value creation, and stakeholder wellbeing.
- **Association's stance:** Lobbying to limit, roll back, or de-fund ESG regulations and disclosures.

If X stays, it will by default fund and tacitly legitimize those lobbying activities. If it leaves, it forfeits a key platform for influencing other members and shaping industry policy.

2. Ethical Theories in Tension

Framework	Key question	Implication for X
Utilitarianism	Which action yields the greatest overall good?	Staying might help moderate the lobby from within, but if the association's actions do more harm than X can offset internally, exit maximizes net welfare.
Deontological (Duty)	What are X's binding moral duties?	X has a duty of honesty and non-complicity; financially supporting anti-ESG lobbying breaches that duty.
Virtue Ethics	What would a 'virtuous' actor do?	A virtuous company exhibits courage and integrity by refusing to fund bad faith political work.
Stakeholder Theory	How are stakeholders affected?	Employees, customers, and communities may feel betrayed if X appears complicit in anti-ESG lobbying.

3. Hirschman's "Exit, Voice, Loyalty" Model

Albert Hirschman's framework helps weigh options:

1. **Voice:** Stay in the association and push for change—mobilize other like-minded members, propose alternative policy statements, publicize internal dissent.
2. **Exit:** Leave the association to avoid complicity and signal unequivocally that you won't underwrite anti-ESG advocacy.
3. **Loyalty:** Stay silent and hope the association shifts over time.

Ethical insight: Voice is preferable if there is a realistic chance of redirecting the association's policy. But loyalty without meaningful influence risks moral hypocrisy.

4. Practical Sequence & Recommendation

1. **Attempt Voice first**
 - Form a coalition of member companies that share X's ESG commitments.
 - Request formal reconsideration of the lobbying statement and demand a more balanced approach.
 - Publicly disclose this effort to strengthen X's credibility and pressure the association.
2. **Define a "Failure Threshold"**
 - Agree internally on clear criteria (e.g., no policy revision within 60 days; refusal to even engage).
3. **Exit if Voice Fails**

- Sever ties, issue a public statement explaining that X cannot in good conscience fund anti-ESG lobbying.
- Redirect the dues to other multi-stakeholder forums (e.g., the International Corporate Governance Network, B Corp community) where ESG is embraced.

4. Support Alternative Coalitions

- Help underwrite or found a new trade grouping that champions sustainable capitalism.
- Engage directly with regulators and NGOs, rather than funneling membership dues into association lobbying.

5. Ethical Verdict

- **Staying silently** is **not** tenable—it signals moral hypocrisy and undermines stakeholder trust.
- **Remaining and actively using voice** is ethically defensible, but only if X has a real pathway to shifting the association's position.
- **Exiting**, after a genuine voice effort fails, is the ethically strongest outcome: it demonstrates integrity, avoids complicity in harmful lobbying, and preserves X's standing with ESG-focused stakeholders.

In sum, the morally preferable path is to **use voice** to attempt reform from within—but to **exit** promptly if that effort is rebuffed. That way, corporation X both honors its own commitments and contributes to a broader industry realignment toward sustainable practices.

Gemini

That's a really interesting and complex ethical dilemma! There isn't a single "right" answer, as it involves weighing different values and potential consequences. Here's a breakdown of how one might judge this situation from an ethical point of view, considering different perspectives:

Arguments for Corporation X Staying a Member:

- **Voice and Influence:** Remaining a member provides corporation X with a platform to voice its dissenting opinion internally. They might be able to influence the trade association's stance over time, even if it's a long and challenging process. Leaving would mean losing any potential for internal advocacy.
- **Broader Industry Impact:** Trade associations often play a crucial role in shaping industry standards and regulations. By staying involved, corporation X can continue to contribute its sustainability expertise and potentially push the broader industry towards more ESG-friendly practices, even if the association's official lobbying position is currently misaligned.

- **Maintaining Relationships:** Leaving a prominent trade association could damage relationships with other member companies and potentially isolate corporation X within its industry. This could have negative consequences for collaboration and future initiatives.
- **Gradual Change:** Significant shifts in deeply entrenched organizations often take time. Corporation X might believe that consistent engagement, even in the face of opposition, is a more effective long-term strategy for driving change than an immediate exit.

Arguments for Corporation X Leaving the Trade Association:

- **Integrity and Consistency:** The trade association's lobbying directly contradicts corporation X's stated commitments and values. Remaining a member could be seen as tacitly endorsing or enabling the association's actions, undermining the corporation's credibility and the sincerity of its ESG efforts.
- **Avoiding Complicity:** By staying, corporation X contributes financially to an organization that is actively working against its own stated goals. This could be viewed as a form of complicity in the trade association's anti-ESG lobbying efforts.
- **Reputational Risk:** Public awareness of the misalignment between corporation X's values and the trade association's actions could lead to negative publicity, damage its brand reputation, and alienate environmentally and socially conscious stakeholders (investors, customers, employees).
- **Setting a Moral Example:** Leaving the trade association would send a strong signal that corporation X is serious about its ESG commitments and is willing to take a principled stand, even if it means facing potential challenges. This could inspire other companies to reconsider their own memberships.

Ethical Frameworks for Judging the Situation:

- **Deontology (Duty-Based Ethics):** This framework emphasizes moral duties and rules. Corporation X might have a duty to act in accordance with its stated values and commitments. If the trade association's actions directly violate these duties, then leaving might be the ethically right thing to do, regardless of the potential consequences.
- **Utilitarianism (Consequentialism):** This framework focuses on maximizing overall well-being. Corporation X would need to consider which course of action (staying or leaving) would likely lead to the greatest good for the greatest number of stakeholders in the long run. This would involve weighing the potential benefits of internal influence against the risks of complicity and reputational damage.
- **Virtue Ethics:** This framework emphasizes character and moral virtues. A virtuous corporation would act in a way that is honest, principled, and demonstrates integrity. Staying in an organization that actively undermines its core values might be seen as lacking in these virtues.
- **Stakeholder Theory:** This perspective emphasizes the responsibility of a corporation to all its stakeholders, including shareholders, employees, customers, and the wider community. Corporation X needs to consider how its membership in the trade

association impacts each of these groups and choose a course of action that best balances their interests and values.

Ultimately, the decision for corporation X is a complex one that requires careful consideration of its values, its stakeholders, the potential consequences of its actions, and its long-term goals. There is no easy answer, and different ethical frameworks can lead to different conclusions.

Corporation X might consider the following steps in its decision-making process:

1. **Internal Dialogue:** Engage in serious discussions within the company about the ethical implications of remaining a member.
2. **Communication with the Trade Association:** Directly communicate its concerns to the trade association and attempt to influence its position.
3. **Transparency with Stakeholders:** Be transparent with its stakeholders about its membership and the trade association's stance, explaining its reasoning for staying or leaving.
4. **Consider Alternatives:** Explore alternative ways to advance its ESG goals, such as direct lobbying, collaborations with other like-minded organizations, or public advocacy.

The right thing to do, ethically speaking, likely hinges on whether corporation X believes its continued membership allows for meaningful influence and ultimately contributes to a more sustainable future, or if its presence merely lends legitimacy to an organization actively working against its core principles.

Claude

This is a complex ethical dilemma that corporations increasingly face when their individual commitments clash with positions taken by their trade associations. Let me explore the key considerations from different ethical perspectives.

Key Ethical Considerations

Consistency and Integrity There appears to be a fundamental inconsistency between Corporation X's stated values and its continued membership in an association actively working against those values. This raises questions about the authenticity of the corporation's ESG commitments. Is the commitment merely superficial if the company continues supporting an organization actively undermining those goals?

Complicity By remaining a member, Corporation X provides financial support, legitimacy, and implicit endorsement to the trade association's anti-ESG lobbying efforts. This makes the corporation potentially complicit in undermining the very principles it claims to uphold.

Influence vs. Exit The corporation faces a classic "voice or exit" dilemma:

- **Voice:** Stay and attempt to influence the association's position from within
- **Exit:** Leave to maintain integrity and avoid complicity

Ethical Approaches

Utilitarian Perspective What maximizes overall positive impact? If Corporation X believes it can effectively influence the association from within and change its stance, staying might produce better outcomes than leaving. However, if its presence merely strengthens the association while having minimal influence, leaving would better serve sustainability goals.

Virtue Ethics Perspective What would a corporation with genuine commitment to sustainability do? Authentic commitment would likely require either successfully changing the association's position or withdrawing support when those efforts fail.

Stakeholder Theory How does this affect various stakeholders? Investors, employees, customers, and communities expecting the corporation to uphold its ESG commitments may view continued membership as betrayal of trust.

Possible Ethical Approaches

1. **Conditional Membership:** Set clear conditions for continued membership, with public timeline for the association to modify its position.
2. **Internal Advocacy:** Actively work with like-minded members to change the association's position while publicly distancing from the anti-ESG stance.
3. **Principled Exit:** Leave the association with a clear public statement explaining why the positions are incompatible with corporate values.
4. **Alternative Coalitions:** Join or form alternative business groups that better align with the corporation's ESG commitments.

From an ethical standpoint, what matters most is whether Corporation X's actions demonstrate genuine commitment to its stated values or reveal them to be merely performative. If the corporation cannot meaningfully influence the association's position, continued membership likely represents an ethical compromise that undermines its credibility on sustainability issues.

The most ethically sound approach would be to make a good-faith effort to change the association's position, but be prepared to leave if those efforts fail, demonstrating that the ESG commitments represent genuine corporate values rather than convenient marketing.

Grok

Corporation X faces an ethical dilemma: remain in a trade association whose lobbying stance contradicts its core commitments to sustainability and ESG (Environmental, Social, Governance) principles, or withdraw to align actions with values. Here's an ethical analysis to guide the decision:

Key Ethical Considerations

1. ****Integrity and Consistency**:**

- Staying in the association risks undermining Corporation X's credibility. Publicly championing ESG while funding or endorsing a group that opposes it could be seen as hypocritical, violating the principle of integrity (acting in accordance with stated values).

- Ethical theories like Kantian deontology emphasize acting in ways that align with universalizable principles. If Corporation X believes ESG is morally necessary, supporting an opposing agenda (even indirectly) contradicts this duty.

2. ****Stakeholder Obligations****:

- Stakeholder theory suggests Corporation X has responsibilities to employees, customers, investors, and communities who expect alignment with ESG commitments. Remaining in the association could betray these stakeholders' trust, especially if they value sustainability.

- Conversely, staying might allow Corporation X to influence the association internally, potentially benefiting stakeholders by shifting the group's stance over time.

3. ****Consequentialism (Outcomes)****:

- From a utilitarian perspective, the decision hinges on which action produces the greatest good. Staying could amplify Corporation X's influence within the association, potentially moderating anti-ESG policies. However, if the association's lobbying is effective, Corporation X's membership indirectly contributes to outcomes (e.g., weaker ESG regulations) that conflict with its mission.

- Withdrawing could signal strong commitment to ESG, inspiring other firms or stakeholders to follow suit, but it risks losing influence within the association and potentially alienating business networks.

4. ****Complicity and Moral Responsibility****:

- By remaining a member, Corporation X may be complicit in the association's anti-ESG efforts, even if it disagrees. Ethically, funding or lending credibility to harmful actions (e.g., obstructing climate policies) could implicate Corporation X in moral wrongdoing.

- However, exiting might not absolve responsibility if Corporation X benefits from other association activities (e.g., favorable trade policies) that indirectly rely on the same lobbying power.

5. ****Authenticity and Public Perception****:

- Virtue ethics emphasizes acting in ways that reflect moral character. If Corporation X prioritizes sustainability as a core virtue, staying in an association that undermines it could erode its moral authenticity.

- Public perception matters: customers and investors increasingly scrutinize ESG alignment. Membership in an anti-ESG lobbying group could trigger backlash, damaging reputation and trust.

Practical Options and Ethical Judgment

Corporation X has three main paths, each with ethical implications:

1. ****Stay and Engage****:

- Pros: Retains influence to push for change within the association. Could align with utilitarianism if Corporation X's advocacy shifts the group's stance.
- Cons: Risks complicity in anti-ESG outcomes and reputational damage if stakeholders perceive hypocrisy. Ethically questionable if Corporation X's influence is minimal or the association's stance doesn't change.
- Ethical Condition: Viable only if Corporation X actively and publicly opposes the anti-ESG stance, invests significant effort to reform the association, and has a realistic chance of success.

2. ****Withdraw Membership****:

- Pros: Aligns actions with values, reinforcing integrity and stakeholder trust. Sends a strong signal to the market and other firms, potentially amplifying ESG advocacy. Avoids complicity in harmful lobbying.
- Cons: Loses influence within the association and access to its benefits (e.g., networking, policy advocacy on non-ESG issues). May strain business relationships.
- Ethical Condition: Preferred if Corporation X's ESG commitments are non-negotiable and the association's stance is irreconcilable. Best aligns with deontology and virtue ethics.

3. ****Stay but Publicly Disavow****:

- Pros: Balances influence with public accountability. Corporation X could remain to reform the association while issuing a statement condemning the anti-ESG lobbying, mitigating reputational risk.
- Cons: May still be seen as complicit if membership dues fund lobbying. Could confuse stakeholders or seem like a half-measure.
- Ethical Condition: Viable as a temporary strategy if Corporation X is actively working to change the association's position but plans to exit if reform fails.

Ethical Recommendation

From an ethical standpoint, ****withdrawing membership**** is likely the most defensible choice unless Corporation X has significant influence and a realistic chance of reforming the association's stance. Here's why:

- ****Integrity and Authenticity****: Withdrawal aligns Corporation X's actions with its ESG commitments, upholding its moral character and public trust.

- ****Stakeholder Trust****: It prioritizes stakeholders who value sustainability, avoiding betrayal of their expectations.
- ****Avoiding Complicity****: Exiting minimizes Corporation X's role in supporting anti-ESG outcomes, which could have far-reaching societal harm (e.g., weaker climate policies).
- ****Signaling Effect****: Leaving sends a clear message to the market, potentially pressuring the association or other firms to reconsider their positions.

However, if Corporation X has substantial sway within the association (e.g., as a major member or board participant), ****staying and engaging**** could be ethically justified, provided it:

- Publicly and consistently opposes the anti-ESG stance.
- Allocates resources to drive internal reform.
- Sets a clear timeline for reassessing membership if change doesn't occur.

Contextual Factors to Consider

To finalize the decision, Corporation X should evaluate:

- ****Influence****: How much power does Corporation X have to shift the association's agenda? If minimal, staying is less justifiable.
- ****Association's Broader Role****: Does the association provide critical benefits (e.g., industry standards, trade advocacy) that outweigh the ESG conflict? If so, staying might be pragmatic but requires public disavowal of the anti-ESG stance.
- ****Stakeholder Expectations****: Are customers, investors, or employees likely to tolerate continued membership? If not, withdrawal is safer.
- ****Industry Norms****: If other ESG-committed firms remain in the association, staying might be less damaging, but Corporation X should align with peers taking proactive reform steps.

Conclusion

Ethically, Corporation X should lean toward withdrawing from the trade association to uphold its ESG commitments, avoid complicity, and maintain stakeholder trust. Staying is only justifiable if Corporation X can meaningfully influence the association and actively works to reverse its anti-ESG stance, with transparent communication to stakeholders. The decision hinges on balancing integrity, outcomes, and practical influence, but withdrawal typically best aligns with ethical principles when values are fundamentally misaligned.

The peer assessments

Prompt

I have asked four students in the course I teach on business and ethics to write a very short essay on the question below. Attached is a document with the four answers they provided. Could you compare the answers, assess their relative strengths and weaknesses and suggest a ranking of the replies from best to worst. The essay question for the students was the following: "Suppose a corporation x is member of a trade association such as the US Business Roundtable. The corporation x has made determined commitments to sustainability and the importance of ESG factors in its work. Now the trade association is coming out with a lobbying statement that opposes and actively seeks to obstruct the further development of ESG, the very things that corporation x supports. Is it the right thing to do for corporation x to stay a member of this trade association? How do you judge this from an ethical point of view?"

The replies (abridged, rankings only)

ChatGPT

Chat GPT – Exceptional structure, theory use, and practical clarity.

Grok – Very strong ethical reasoning and practical relevance.

Claude: – Solid but less developed and original.

Gemini – Adequate but vague and non-committal

Gemini

Ranking:

1. **Grok:** This is the strongest response due to its comprehensive structure, detailed ethical analysis, nuanced discussion of practical options, and well-supported recommendation.
2. **ChatGPT:** This is also a very strong response, with a clear framework, effective use of ethical theories, and a practical recommendation. Its structure and clarity are commendable.
3. **Gemini:** This response provides a good overview of the ethical considerations and arguments but is less decisive and structured than Student 1 and Student 4.
4. **Claude:** This response is the weakest as it is less detailed, less structured, and less conclusive than the others. However, it still demonstrates a good grasp of the ethical issues.

Claude

1. ChatGPT

This essay stands out for its exceptional structure, clear application of ethical theory, innovative use of Hirschman's model, and actionable recommendations. The student demonstrates sophisticated ethical reasoning while providing practical guidance, balancing theoretical frameworks with real-world applicability.

The table format efficiently summarizes multiple ethical perspectives, and the "Practical Sequence & Recommendation" section offers a clear decision path. The essay concludes with a definitive ethical verdict that acknowledges the complexity while still providing direction.

2. Grok

This essay offers a thorough ethical analysis with strong consideration of integrity, stakeholder obligations, consequentialism, and moral responsibility. The three main options are clearly evaluated with pros, cons, and ethical conditions. The student provides a well-reasoned recommendation while acknowledging contextual factors.

The essay is slightly less innovative in structure compared to Student 1 but demonstrates excellent ethical reasoning and application to the specific case.

3. Claude

This essay presents a concise but effective analysis of the ethical considerations. The student clearly identifies key tensions and offers practical approaches. While briefer than Students 1 and 4, it still covers essential ethical frameworks and provides valuable insights.

The essay would benefit from more specific recommendations and deeper exploration of consequences, but it effectively captures the central ethical dilemma.

4. Gemini

While this essay presents multiple perspectives and acknowledges complexity, it lacks the analytical depth and structured approach of the other essays. It presents arguments for both sides but doesn't sufficiently analyze them through ethical frameworks to reach a conclusion.

The more conversational tone and lack of clear recommendation make this essay less effective as an ethical analysis. While it suggests steps in the decision-making process, it doesn't provide the same level of ethical guidance as the other essays

Grok

Student	Strengths	Weaknesses	Rank
ChatGPT	Comprehensive, structured, original (Hirschman), specific recommendations	Slightly dense, assumes influence	1
Grok	Thorough, structured, practical options, contextual nuance	Repetitive, less original, lengthy	2

Student	Strengths	Weaknesses	Rank
Claude	Concise, focused, clear stance, practical steps	Fewer frameworks, less detailed, limited originality	3
Gemini	Balanced, accessible, ethical frameworks applied	No clear stance, vague recommendations, less structured	4

This ranking reflects the essays' ability to address the question with ethical rigor, clarity, practicality, and originality, tailored to the expectations of a short essay in a business and ethics course.