

The PR Dilemma of the “Triple Bottom Line”

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by

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There is nothing like a new piece of jargon to get everyone fired up. Coined in the mid-1990’s or so, the term “triple bottom line” is perhaps not all that new any longer, but there seems to have been very little response to the term or the concept from the public relations industry. Perhaps it’s time to examine this from an ethical point of view at least.

What is 3BL?

The concept of organizational social responsibility was hardly a new thing in the mid-90’s when British business consultant John Elkington and his company SustainAbility coined the term triple bottom line. The three parts to this business bottom line are identified as economic prosperity, environmental quality and social justice – where the traditional financial bottom line reporting is augmented by reporting on efforts to protect the environment and act in a socially responsible manner toward people.

Traditional accounting and year-end annual reports focus on the financial aspects of an organization only. Things like growth in revenue, return on investment, productivity and risk management among others were and continue to be important to evaluating the relative success of a profit-making organization. The notion of the 3BL, as it is fondly referred to, suggests that a successful organization is also socially responsible in relation to its commitment and actions *vis a vis* the environment and people – the latter including such considerations as health and safety issues, equity and equal opportunity, fair compensation and provision of educational opportunities for employees, among others.

Some writers on the subject have referred to the three components as people, planet and profit. Others refer to economy, ecology and equity. Whatever terms you use, 3BL looks like a terrific PR opportunity doesn’t it?

3BL, Corporate Reputation and PR

Anything that helps to improve the organization's reputation is a key component of operational considerations in the public relations function. Thus, public relations' support of a 3BL approach to activity and annual reporting seems like a match made in heaven. Before we examine the down side to this marriage, we need to take a closer look at just how an organization might measure its three bottom lines.

The financial accounting one is easy – organizations have been doing that forever and there are benchmarks within every industry for annual comparisons so that the measure of financial success is clear and quantifiable. The other two components of this triple threat aren't so clear.

One source presenting several matrices for this model suggests that quantification of ecological performance might, among others, include the following:

- ▶ Risk reduction and the use of resources as important to share holders;
- ▶ Hazard levels as important to employees;
- ▶ Environmental safety and sustainable products or services as important to customers;
- ▶ Risk or hazard levels as important to the community.

... and the following as some of the performance markers in the area of social justice:

- ▶ Public image as important to share holders;
- ▶ Professional development opportunities as important to employees;
- ▶ Ethical practices as important to customers;
- ▶ Local hiring practices and enhancement of the quality of life as important to the community.

Thus, from an operational point of view, this concept seems to be a very important one in public relations strategic planning. And there is even a clear relationship to ethics within an organization since ethical practices will be important to a variety of publics in the social sphere. Indeed, there seems to be an important role here for ethics audits including the use of an ethics officer as we discussed several columns ago. But are there other ethical considerations?

3BL. Window Dressing & PR

There are few who would argue with the general notion that considerations of ecology and equity seem to be socially responsible complements to economic ones. However, whenever a new notion with a jazzy acronym comes along, there is an inherent danger.

Before jumping onto the 3BL bandwagon as many of our well-known and highly regarded organizations (such as BC Hydro, AT & T among many others), you might consider the down side – always a good move for the ethically-minded.

Writing in *Business Ethics Quarterly*, Wayne Norman and Chris MacDonald suggest that “the concept of a Triple Bottom Line in fact turns out to be a ‘Good old-fashioned Single Bottom Line plus Vague Commitments to Social and Environmental Concerns.’” Their description of all it would require to commit to such a notion is relevant to every public relations practitioner who ever said to management that they need to be more socially responsible.

They paint a picture of organizations first choosing their own data points with which to measure these concepts since there are few established benchmarks within most industries (none in the social justice category) then report on their accomplishments in as, as they put it “a glossy 3BL report full of platitudinous text and soft-focus photos of happy people and colorful flora.” If that doesn’t sound like a piece of print media produced by the public relations department, I don’t know what does.

Clearly, there is a real danger that such programs can become nothing more than public relations window dressing without any real consideration of the outcomes for people and the planet. Such programs, based on little more than good intentions, are ethically questionable in their sincerity and thus true honesty. As I wrote in my recent book,

Public relations is the most important external communication function in an organization and as such sits at the interface between the organization’s decision-making and its external environments. The only way for public relations to play its appropriate role as keeper of the organizational conscience is for PR to be part of the policy-making team representing the publics and their needs to management. Window-dressing is one of the most insidious aspects of old-style public relations.

The idea of triple bottom line reporting is a nice one and public relations certainly has a role to play in how an organization measures that bottom line. The most important consideration, however, is how those reports will be used and whether or not the actions are real or nothing more than smoke and mirrors. 🌫️

<http://www.inknowvate.com/inknowvate/TripleBottomLineMatrix.htm> [accessed 3/3/2005]

<http://www.prcanada.ca/ETHIX/OFFICERT.HTM>

Norman, W. & MacDonald, C. Getting to the Bottom of the "Triple Bottom Line." *Business Ethics Quarterly*, April, 2004.

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