

## Reality of Triple Bottom Line

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### Abstract

In this paper we critically examine whether Triple bottom line is key to sustainability. The research paper reveals TBL is not an actual concept in modern era. it is the same concept as environmental assessment. Many authors and researchers have made an attempt to show down why the nobility is questioned. The real problem arises in maintaining a balance between these three bottom lines. when a firm start working on people and planet consideration they lose their profit share and if firm takes profit as main objective then why they should make unnecessary expenses by taking people and planet aspects because we all know that firm can get profit only if they survive for long run. The example we can take of Indian Oil Corporation limited which is investing a lot on people and planet dimension but they are not able to be in break even. On the other hand ITC is earning a lot profit and giving lot of taxes to government but are they really contributing to planet and people aspects by making tobacco products then the question arises where is sustainability aspects ,Are they really consider sustainability aspects .

The second problem arises that the firm really takes this jargon as a marketing strategy to enhance their sales.

The third problem is how new firms or firms at introductory stage of life cycle will do investment in people and planet aspects as they are relatively new in the business and they don't have enough money in the pocket to make such an investment.

At last we conclude that the concepts is the mixture of various prior developed concept we didn't find anything new or original in this concept it is just the combination of CSR,Environmental assessment and trade off .

**Keywords:** TRIPPLE BOTTOM LINE, SUSTAINABILTY.

## **1. Introduction**

The orbicular concept of TBL is luring many researcher, author and has been increasingly fashionable term in modern management. The concept was coined by John Elkington in the year 1994 with an aim of achieving universal sustainability reporting standard. The idea is based on the three pillars the basis for his book *Cannibals with Forks (Elkington, 1998)*, where he explains that TBL refers to the three bottom lines of “economic prosperity, environmental quality, and social justice” (*ibid. p. ix*) i.e. people, planet and profit dimension. The people mainly deals with the social groups (community and employees) among which we are living, planet refers to environment in firm is operating and profit signifies what firm is earning, what they are cultivating from society. This notion aimed at three separate accounts for people, planet and profit. The fantasy advocated that the prosperity of company is not only relying upon the traditional bottom line but also on environmental and its social performance. Companies such as coal India limited, Indian Oil Corporation, ITC, British Telecom, Dow chemicals and Voltas have used 3BL terminology in their press releases, annual reports and other documents. But the question arises “Does this concept achieved for which it was invented”. This paper aim at revealing out the mask of TBL which firm are wearing in their faces and also laid down the limitation of it which firm are using as a part of their marketing strategy. The flickering light of go green, cradle to cradle, cent percent renovation concept which are practically impossibility at least at present context have become a part of their marketing. **Elkington (2004)** himself concedes, a TBL doesn’t challenge business thinking.

### **1.1 Need for the Study**

Today industrialization and globalization are affecting economies of not only developing but also developed countries. Firm are using various strategies for enhancing their boundaries. And many of the firms in modern time contemplate the law of triple bottom line because this concept lacks unitary measurement aspects. In the light these facts we have followings points to answer why we design this paper.

- To analyze whether triple bottom line is key to sustainability.
- To understand the possibilities of balancing and managing the three Ps.
- Is the notion of triple bottom line really bringing change in social and environmental domain?
- Is the validity of the term we should encourage and commercialized?
- To reveal out internal limitations which are not witnessed till now?

## **2. Sections**

### **2.1 WHAT THE ADVOCATORS OF TRIPLE BOTTOM LINE BELIEVES.**

**Elkington (2004, p.3)** describes the triple bottom line as “an inevitable expansion of environmental agenda” that “focuses corporations not just economic value that they add ,but also on environmental & social value they add or destroy”.**Dutta (2011)** pointed out the necessity of considering the three parameter People, Planet and Profit. According to him TBLR reflects a more comprehensive mechanism that integrates the traditional financial information along with non-financial information, which can help firm in enhance economic value addition, besides putting it on a firm financial footing. At its narrowest, the term “Triple Bottom Line’ is used as a frame work for measuring & reporting corporate performance against economic, social and environmental parameters’ (**Elkington J. ,1980, The Ecology of Tomorrow’s World**).All the believers advocate it as forecasted and a sustainability initiatives. They argue that triple bottom line undoubtedly makes a firm environmentally responsible but in reality the firm doesn’t have to do anything with environment. **Elkington (1997)** “An approach of measurement of sustainability is triple bottom line”. **Adam et al....(2004)** said “both the timing and terming of introducing the triple bottom line have been perfect” .

The advocates of triple bottom line have given some claims which states the reason for following triple bottom line

#### **Social responsibility promise**

This claim states that it is the duty of the firm to be ethically good and return back the society what you have taken from it.

#### **Convergence promise**

It is the responsibility of the organizations to improve the social performance as the social performance will increase the profitability of firm.

#### **Transparency promise**

It is the responsibility of the firm to show true and clear picture of all its account to stakeholders.

#### **Novelty promise**

The advocates of triple bottom line beliefs that it is totally a new concept which will ensure sustainability initiatives for the organization.

#### **Measurement claims**

By measurement claim they have claimed that the constituent of social performance and impact can be measured in

### **Reliability claims**

The data will be gathered throughout the year and reported simultaneously as they come hence the reliability is unquestionable. Also they claim that the reporting will be on the lieu of information tracked day to day basis.

## **2.2 What Critics Triple Bottom Line Purpose?**

### **2.2.1 Measurement claims offsets.**

**Elkington (2010, P525)** himself proposes “capitalism and sustainability, however much we may wish it otherwise, do not make easy bed fellows. This again reveals that profit and sustainability achievement will need toiling for the firm, it is not an easy task to manage the three Ps i.e., people, planet and profit simultaneously. For instance if the firm takes profitability as main objective ,then why should firm make unnecessary expenses in taking people and profit dimension. The (**Vanclay, 2003, p.74**) argues that “Focus on the thing that count, not the things that can be counted”. **Elkington (1998, p.72)** says that the key to managing organization progress towards sustainability is measurement. “What you can’t measure, you are likely to find hard to manage”. But the triple bottom line concept itself lacks the concept of measurability as it is not possible to measure social dimension and environmental impact. In attempting to develop social indicators we encounter immediately the problem that the communities whose health in which we are interested do not resemble the sorts of stable and self-regulating systems we find in nature (**Lockie & Jennings, 2003, p. 132**).

### **2.2.2 Novelty promise questionable**

The newness of concept is questionable. Many socialist researcher and authors say that the concept is “combination of corporate social responsibility, environmental impact assessment and the traditional bottom line” (**Roden, 2008**.)It undoubtedly reveals out the same purpose which already has been specified in the above three concepts i.e, CSR, environmental impact assessment, the traditional management. Then why such jargon should be commercialized.

### **2.2.3 Transparency promise is partial**

The argument that triple bottom line advocates is that it facilitates proper transparency. But is it really true. How can we measure the claim or argument which they are giving is actual as the report is mainly prepared by internal management team. The other question is why firm shows their wrong deeds towards environment and society when the firms are doing green washing. Hence the transparency claim is vague.

### **2.2.4 Establishing Trade-off**

The concept of trade-off also states that it is possible to establish the optimum balance between two or three variable. But the possibility of this concept seems to be artificial in case of triple bottom line .because the firm cannot return back the nature and people exactly what they have taken from it. For example- coca cola claims that it works for

achieving sustainability but in actual they uses eight bottles of water to manufacture one bottle of cold drink, again the pesticides component found in their bottom doesn't add to their claim(**India resource Centre ,2006**)

### **3. Conclusion**

On the basis of above section headings we lastly conclude that illusion of triple bottom line is nothing but it form a basis for firm to market their product through green washing and befooling the customer. In reality there is no social bottom line exist for the firm. It is just an analogous argument. David Henderson refers to this as a strategy of **“sleeping with the enemy”**. Despite the increased trend towards TBL reporting the extent to which, this change is being reflected in decision making process is questionable (**Triple bottom line assessment for the Act,2011**) .The concept lacks universal practicability as we cannot establish a balance between three Ps. it seems that a business genuinely wishing to become green and sustainable is caught between a rock and a hard place.(see **example stead & stead,1994;Weinberg,1998**).also the concept states only the combination of prior work, we didn't find anything novel in this concept. Hence there should be such concept developed which really facilitates the objectives of triple bottom line and also this jargon should not be much popularized because we didn't find anything novel.

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