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Explain It: triple bottom line

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This Article is brought to you for free and open access by New Prairie Press. It has been accepted for inclusion in Seek by an authorized administrator of New Prairie Press. For more information, please contact cads@k-state.edu.
Hansin Bilgili, assistant professor of management in the Kansas State University College of Business Administration, explains, in fewer than 100 words, what triple bottom line is and why it is important for sustainability.

Triple bottom line, or TBL, is an expansion of the traditional understanding of measurement of firm performance, which focuses on financial performance or profit. The TBL approach demands managers pay equal attention to additional performance metrics: environmental and social performance. Under a TBL approach, managers not only need to pursue profitability, but also vigorously consider the cumulative impact of their strategies on people — employees and communities — and the planet or natural environment. When adopted, the TBL approach not only holds managers responsible to a broader group of stakeholders, but also provides a foundation for sustainable organization management.

See page 20 to read more about sustainability research and see page 8 to learn how researchers are analyzing the ever-changing economy.