



TRIPLE BOTTOM LINE REPORTING: PRESENT RESEARCH AND FUTURE DIRECTION

Mr. Sumanta Dutta*

Abstract

Numerous business organisations, in an attempt to 'demonstrate' their behaviour is sustainable, are beginning to adopt environmental management systems, undertake social agenda's, and issue stand-alone "sustainability" or "triple bottom line" (TBL) reports in addition to the financial report. The apparent purpose of such practices and reporting is to make organisations more accountable to a diverse group of "stakeholders". Hence TBL emerged as a new tool for measuring organisational performance. Triple Bottom Line Reporting (TBLR) goes beyond the traditional way of reporting mechanism and encourages businesses to give closer attention to the whole impact of their commercial activities; over and above their financial performance. TBL implies business should provide equal importance to all the three dimensions of business impact without giving unique weight to their financial results.

Present study is an attempt to highlight the literature based evaluation of Triple Bottom Line Reporting (TBLR) initiative among Indian Inc.

Key words: Triple Bottom Line Reporting, Sustainability Reporting, Transparency and Corporate Social Responsibility.

Triple Bottom Line Reporting: Present research and future direction

Introduction:

Corporate sustainability is of utmost important for the survival of organisations and their future generations. To cope up with the globalised challenges, corporate all around the globe wants to consider by addressing their "Triple Bottom Line"(TBL), which includes paying close attention to their economic(financial factors),environmental (risk and requirement factors) and social (human factors) issues.Today,companies are more than ever before actively engage with community organisation and maintain a meaningful relationship between them, which meet both community needs and business objectives and address the key social concerns.

*Assistant Professor, PG Department of Commerce, St.Xavier's College (Autonomous), Kolkata
Corresponding Author E-mail id: sumantadu@gmail.com



Recent corporate scandals and enforcement of the Companies (Corporate Social Responsibility Policy) Rules, 2014 with respect to CSR disclosure, have resulted in heightened attention towards the shortcoming of the traditional financial reporting frameworks. However, simultaneous growing stakeholder pressure or the rise of corporate social responsibility imperative has led to several criticisms that financial reports presents incomplete accounting information of a firm's activities. It calls for companies to be held accountable for their social and environmental records along with their financial performance. Today objective of the business is to incorporate CSR based sustainability at the centre of their policy making.

Corporate sustainability reporting in the name of Triple Bottom Line Reporting (TBLR) has considered a prominent tool in measuring and managing corporate responsibility performance in an integrated or holistic manner. Such a reporting mechanism not only overcome the existing historical cost based accounting principle but also provides a platform so that the company's performance and its impact can be measured and communicated in a more reliable manner among the stakeholders. Hence, there is an urgent need to incorporate a transparent reporting mechanism to conglomerate people, planet and the profit.

With this backdrop the present paper makes a humble attempt to give an overview of Triple Bottom Line Reporting (TBLR) as a new corporate disclosure practices with special reference to Indian context and provide research gap and future direction.

Literature review (Indian Context):

Few researchers have done considerable work on Triple Bottom Line Reporting (TBLR) with reference to India. These are arranged according to the chronological order.

Chatterjee, K (2005) pointed out that the TBL paradigm aims at encouraging managers to think beyond the old-fashioned financial bottom line, in terms of two additional 'bottom lines', namely the 'social bottom line' and 'environmental bottom line'. Chatterjee also provide a comparative list of ethical standard implemented worldwide in different point of time in order to justify the significance of environmental and social issues other than economic one.

Basu, A.K. (2010) provided an overview regarding the concept Triple Bottom Line Reporting (TBLR), its benefits, methodology and practice of Triple Bottom Line Reporting



(TBLR).He pointed out that implementation of Triple Bottom Line Reporting (TBLR). Required the implementation of supporting changes in business strategies and operations.

Singh, Mitrabinda (2010) in his study provided an insight of Indian business sustainability in the era of globalisation through an analysis of economic performance of 3 Indian companies namely Tata Steel, ITC Ltd and Reliance Energy. Mitrabinda also found that the economic performance of the companies is directly proportional to the environmental sustainability. It has also been proved that the investments towards environment sustainability have increased the sales and profit margin of those companies thereby improving the economic performance.

Dutta, Sumanta (2011) in his study 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.

Dutta, Sumanta et al. (2011) provide a comparative study of GRI (Global Reporting Initiative) reporting based on 19 Indian companies along with Karmayog. They show that, presently 19 companies in India following GRI based sustainable reporting practices. It also shows that the evaluation and auditing are carried out either by a third party following GRI standards or self declared or GRI Checked.

Mallick, Pradip kumar et al. (2011) conceptualized that corporate Social Responsibility (CSR) based sustainability agenda must incorporated by the corporate houses in its vision doctrine so that environment-organisation symbiosis is restored with certainty. They evaluated 3 large corporate bigwigs namely Tata Steel, Steel Authority of India Limited (SAIL) & Infosys Technologies Limited in order to evaluate the combined effect of CSR and sustainability on the survival & nourishment of society.

Tiwari, Ruchi (2011) analysed the CSR reporting of the Indian companies operate in Information & Technology sector in India and compare them with the MNCs operating in the same field. The study was based on 88 companies out of which 46 Indian companies and 42 MNCs operating in IT sector. A content analysis of the annual report has been made with



the help of software named 'Concordance'. It was found from the given study that the Indian companies outperform the MNCs in their environment related disclosure, while society as a stakeholder was least attended for CSR communication made through annual reports.

Chopra, Manju Punia (2012) pointed out the necessity of Triple Bottom Line Reporting (TBLR) in present business scenario. She also pointed out the challenges associated with it, parameters to be considered while evaluating the concept under three broad head and the users of Triple Bottom Line Reporting (TBLR).

Jhandi, Khosro S (2012) interrelate the concept of corporate social responsibility and Triple Bottom Line and refocus the agenda from an NGO point of view. The author explained the role of NGO named Friends of the Earth (FOE) that operates in UK as an example. It was found from the study that corporation using Triple Bottom Line as a device for the marketing and publicity purpose. It is considered just another management fad or a CSR bandwagon without considering it as a genuine device to save the environment or serve the society. Furthermore, it was also highlighted that without clear specification has been provided regarding calculation of social and environmental bottom lines, that may cause a serious threat the firms adopting this sustainable reporting mechanism.

Sahoo, Giridhari (2013) in his study pointed out that companies opt for greater transparency and accountability in public reporting & communication of social, environmental and economic dimensions in the form of Triple Bottom Line Reporting (TBLR). To him appropriate alignment of company reporting with the expectation of key stakeholders consequently improve the company's relationship with such stakeholders and enhance the value of the organisation. The study also revealed the various forms of reporting, its implementation procedure, key challenges and role of individuals including CFO in the reporting process.

Tripathi, Deepak Kumar; Kaushal, Arun, & Sharma Vikas Arun (2013) in their study critically evaluated the concept of Triple Bottom Line Reporting (TBLR) as a key factor for sustainable performance of a firm. They found that most of the firms use this concept to market their product through green washing and befooling the customer. According to their opinion firms usually takes this jargon as a marketing strategy to enhance their sales.



Research Gap and future research directions:

Research study in the area of Triple bottom Line Reporting disclosure practices in India scenario under GRI is still in a nascent stage. Since, less research has been done in the area of Triple Bottom Line Reporting with special reference to GRI in Indian context.

Present study is an attempt to highlight the literature based evaluation of Triple Bottom Line Reporting (TBLR) initiative in India & how such TBLR based sustainable inclusion initiative is taking place in India with special reference to Indian Inc.

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