

Triple bottom line

[Business](#), [Management](#)



TRIPLE BOTTOM LINE Affiliation: Triple Bottom Line Triple bottom line is an accounting framework with three major components of performance that include social, environmental and financial (Slaper and Hall 2011). These components also assume three divisions that include people, planet, and profit. In an organization, these components are crucial for the sustainability of the organization. The components have a linkage, and an organization has to consider them for their business to thrive (Savitz and Weber 2012).

The people component involves the benefits people or the community near the location of the organization. The organization should influence the community positively and not impact on it in a negative way. The organization should ensure it exploits anyone neither treat them inappropriately. The planet component deals with the effects an organization has on the environment (Slaper and Hall 2011). Some organization cause pollution either air, water or soil and these leaves the people suffering from diseases, and also this weighs heavily on the government to correct it. The government has to use the money to ensure environmental sustainability (Savitz and Weber 2012). They get the money from the taxpayers. Thus, the organization will be impacting negatively on the environment and the people. The profit component assesses the economic value of an organization its benefits to the society and also to itself.

The Triple bottom line is relevant to any business as it evaluates the performance of any organization. It also helps to evaluate the future consequences that the organization will have to the society and the environment. All organizations should consider the triple bottom line when setting the organizations goals of sustainability.

Bibliography

Savitz, A, W & Weber, K, 2012, *The Triple Bottom Line: How Today's Best-Run Companies are Achieving Economic, Social and Environmental Success- and How You Can Too*, John Wiley & Sons Inc, New Jersey.

Slaper, T, F & Hall, T, J, 2011, *The Triple Bottom Line: What Is It and How Does It Work?* Indiana Business Research Center, retrieved 19 October 2015, < [http://www. ibrc. indiana. edu/ibr/2011/spring/article2. html](http://www.ibrc.indiana.edu/ibr/2011/spring/article2.html)>