

### Evaluation and The Triple Bottom Line

AEA Summer Institute Keynote (Beverly Parsons; 6-5-13; Atlanta, GA)

***[Slide 1 on screen before session starts]***

### Introduction

One of the privileges of being an AEA president is that you pick the conference theme for your presidential year.

When I was first elected as the 2014 AEA president, people asked me what my conference theme would be. It was a no-brainer for me. I knew it had to be about the relationship of evaluation to environmental sustainability, systems thinking, and the public good. However, I quickly added that I needed people to help me move this from an abstract idea to actually making evaluation a more powerful force in supporting the public good.

One person who was right there ready to help me was Susan Kistler. Susan and I have gotten to know each other well over the past few years. Now she didn’t say this, but I suspect she knew that it takes me a long time to convert an abstract idea into practical action for evaluators. So several months ago she called me up and asked if I would do this keynote specifically about Evaluation and the Triple Bottom Line. I jumped on the opportunity because it would push me to make these ideas more concrete and it provided a way to get input from you.

I was especially excited to be talking with you because so many of you care deeply about health and the wellbeing of people not only in the US but worldwide. The sustainability of our natural environment is closely linked to health as you well know.

Let me warn you: my ideas on this topic are still in development. I DO have some ideas I want to test with you, but more importantly, I want to stimulate you to pick up on this partially-formulated theme and generate examples of what it means for your evaluation work. In so doing, I hope you will become part of a growing group of people who are preparing to demonstrate the link between evaluation, sustainability, systems thinking and the public good during our AEA 2014 conference and beyond.

#### First Question on Handout

To get us underway, please look at the handout for this session. The handout is a self-duplicating form. I would like to get the duplicate copy to help Matt Keene from the Environmental Protection Agency (EPA) and me develop the AEA 2014 conference theme. Matt is the 2014 conference program chair. As you leave the session Lauren and other staff will be at the door to collect those copies. There is a place on the form to include your name if you want to help develop this theme for the 2014 AEA conference. Matt and I are eager to build a network of people working on this topic.

Look at the first question*: How does your current evaluation work support the public good?*

Please take a minute to reflect on the first question and jot down a response. No need for complete sentences. Jot down a few key words. I just want you to start connecting your evaluation work with the concept of the public good.

For example, you might say that your evaluation provides evidence that certain health practices work better than others. Or your evaluation helps people understand what works in building healthy communities. Or your evaluation helps students learn to be stewards of the natural resources of their community. Take a minute now to jot down notes.

 *[pause – 1 minute]*

Now please connect with someone next to you. Introduce yourself and exchange answers to that first question. You’ll have two minutes.

Now please introduce yourself, and talk about the first question on the handout:

*How does your current evaluation work support the public good?*

*[2 minutes for interactions.]*

OK. Please end your conversation.

Hopefully you now have your mind engaged and are ready to explore the relationship of evaluation to sustainability and systems thinking to better serve the public good. We will use the concept of the Triple Bottom Line as one approach to addressing sustainability.

***[Slide 2 first Build (just says Triple Bottom line)***

My introduction to the term “triple bottom line” came about seven years ago through the Bainbridge Graduate Institute when I was working on a certificate in Sustainable Business. I was very drawn to the idea that businesses need to be accountable not only for making money but also for their social and environmental impact. That’s what the Triple Bottom Line is about—people, profit, and planet

***[Slide 2 second build]***

OR, another way of saying it, economy, equity, and environment.

 ***[slide 2 third build]***

In either case the purpose behind the TBL is sustainability of the business.

Over the recent years of involvement with Bainbridge and groups such as the Environmental Evaluators Network, I've been thinking about how we evaluators can do more than just recycle our paper and reduce our carbon footprint. I am convinced that we can design and carry out evaluations in ways that more powerfully address the social and environmental challenges at this critical time in the life of our planet.

***[Slide 3, first build – just background, then during the vision statement below, click through 4 clicks for the underlined words]***

When Susan first asked me to talk with you today about the Triple Bottom Line and evaluation, the best I could do in articulating my vision was this: *I envision evaluation contributing much more powerfully to the public good by attending to the Triple Bottom Line and using a systems orientation.*

I knew we needed to tie those ideas together but I wasn’t quite sure how. So over the past few months, I’ve been working on sharpening up this vision and trying to link it better to concrete aspects of evaluation.

So today, I’d like to share with you some of the key information that I’ve been using to think through these ideas.

I’m hoping that you will move beyond that formulation to others that can benefit the evaluation field and provide examples of how it can be done.

### Triple Bottom Line

Let’s begin by delving into the idea of the Triple Bottom Line.

Suppose a funder or a participant from one of the programs you’re evaluating asks you, “What’s the bottom line?” How would you respond? What would you think they’re asking?

Being very creative, I looked up the definition of “bottom line” in Webster’s dictionary. The first entry says the bottom line is “the essential or salient point:… the primary or most important consideration.” The second entry says it’s “the line at the bottom of a financial report that shows the net profit or loss…the final result.”

The usual bottom line for a business is profit for the stockholders. John Elkington, the founder of the British consultancy SustainAbility, came up with the term “triple bottom line” about 20 years ago. He argued that companies should be attending to multiple bottom lines rather than solely profit. He urged the preparation of three bottom line reports:

* A profit-and-loss account—the traditional measure of the company’s bottom line.
* A people account—a measure of how socially responsible the organization is throughout its operations. (“People” includes all the stakeholders – owners, employees, contracted workers, suppliers, and all other people affected by the company’s actions.)
* And a “planet” account—a measure of how environmentally responsible the company is.

The three Ps of the triple bottom line--Profit, People, and Planet--measure the financial, social, and environmental performance of a corporation over a period of time. And as I mentioned earlier, others use the shorthand of Economy, Equity, and Environment—3 Es.

***[slide 4 (same as slide 2 but without the builds)]***

The triple bottom line accounts for the full cost of doing business which is ultimately essential for a business to be sustainable. In today and tomorrow’s world a business can not survive long term without being both socially and environmentally responsible.

#### Environmental Responsibility

Given the areas in which most of you work, I think I can assume that you are well grounded in being socially responsible. AEA also has worked intensively in this area with one of its main public statements being our cultural competency statement.

The environmental component of the Triple Bottom Line has typically not been emphasized as much when we talk about evaluation and the public good. Consequently, I want to discuss it further today.

Here is a simple framework that draws on the work of a Canadian organization named *The Natural Step* which in turn built on the work of Swedish scientists. It lays out in simple terms how humans have created the major environmental problems that are affecting our lives.

Humans have done three types of things:

***[slide 5 - MOVE]***

We have

• extracted large amounts of minerals and fossil fuels from the Earth’s crust; (MOVE)

***[slide 6) - MAKE]***

We have

• introduced compounds that are foreign to nature that don’t quickly deteriorate or return naturally into nature’s cycles. These compounds range from pesticides to pharmaceuticals to plastics. (MAKE and WASTE)

***[slide 7 - add TAKE]***

We have

• physically inhibited nature’s ability to run its self-renewing cycles. Largely through technological advances, we are removing topsoil, cutting down trees, polluting the oceans and decimating the fish population faster than nature, even with our help, can renew them. (TAKE)

Through the focus on the Triple Bottom Line, businesses are being called on to recognize how they are upsetting the natural cycles of the ecosystem of this planet in ways that are leading to serious damage to human life.

***[slide 8 - add HURT]***

They are being called on to change their ways of doing businesses to sustain their businesses economically, be socially responsible, and protect the natural environment.

 ***[slide 9 – all 4 together with just key words]***

The authors of the book *Cradle to Cradle* summarize it succinctly when they say we need to move from our current approach of “Take. Make. Waste” to “Borrow. Use. Return.” That is, we borrow nature’s products, use them for some purpose we have, and then return them to nature or recycle them for continual reuse.

Many new businesses are growing out of these concepts. One example is Interface, a modular carpet company. They have developed a carpet that can be fully recycled. They don’t sell it to businesses but rather they rent it to them. It is laid out in 50 cm squares. When carpet starts to wear out in an office building, they replace the squares, take the old ones back and recycle them. Thus they are responsible for the full life cycle of the product they create. Their goal is to achieve zero environmental footprint by 2020.

### Triple Bottom Line for Sustainability

There is much we could discuss about the meaning of the Triple Bottom Line. However, I would like to move us to the main goal of the Triple Bottom Line—sustainability of life on this planet. This connection is often represented as a three legged stool.

***[slide 10 (three legged stool)]***

We’re talking about sustainability on a much larger scale and perhaps with a different purpose/perspective than sustaining a given program. It gives us the big context in which to consider sustainability of a program.

Although this concept came from businesses, it is being used in government and nonprofit organizations. Those organizations are focused on sustainability for the public good whereas businesses came at it from sustainability for private good. Both are important parts of our world.

Let’s talk a bit about what sustainability means in this context.

***[Slide 11 first build-Sustainability label]***

The overall concept of sustainability is tied to the millennium goal stated by a United Nations commission (the Brundtland Commission) in 1987. The goal is “meeting the needs of the present generation without compromising the ability of the future generations to meet their own needs.”

***[Slide 11 second build: first sustainability definition]***

That’s a bit hard to remember. An MIT scholar shortened it to “the possibility that human and other forms of life on earth will flourish forever.”

***[Slide 11 third build: second sustainability definition]***

And at an international conference, an African delegate summed it up as a sound bite: “Enough for all forever.”

***[Slide 11 fourth build: third sustainability definition]***

All in all, when we are attending to sustainability in this sense in our evaluation work, let’s think in terms of “enough for all forever” instead of thinking about “continual growth forever”.

### Connection to Evaluation

#### I now would like to connect theses ideas to evaluation by linking them to two aspects of evaluation practice—what we measure and how we think. First what we measure:

#### Triple Bottom Line-Informed Measures

A businesses’ focus on the Triple Bottom Line revolves around accountability and measurement. Business leaders are emphasizing something that we as evaluators have recognized for a long time—if you measure something in a business, you focus people’s attention on it.

Many businesses are now working on measures in all three areas—financial, social, and environmental—some stimulated by governmental regulations and others by consumer relations. The topic has also stimulated attention to what we use for national indicators of progress. We need meta-indicators that bring these three areas together.

***[slide 12 – first build]***

For example, our national use of GDP (gross domestic product) as a measure of the health of our economy is based only on dollars spent whether money is spent for things we value or for other purposes.

***[slide 12, second build-GDP]***

We could use other measures.

***[slide 12, third build-GPI]***

I’m especially intrigued by movements to shift our main indicator of a nation’s well-being from GDP to a meta-indicator that recognizes the Triple Bottom Line. One such indicators is the GPI—the Genuine Progress Indicator.

The difference between GDP and GPI is analogous to the difference between the gross profit and the net profit of a company. The net profit is the gross profit minus the costs incurred. Similarly the GPI for a nation would be zero if the financial costs of, say, crime and pollution equals the financial gains in production of goods and services with other factors being constant.

Taking a step further, we are hearing today about other measures of overall well-being, balanced-living, wisdom, and happiness.

***[slide 12, fourth build - HI]***

 For example, there is growing attention to the Happiness Indicator (HI) which is built from the way the government and society of the nation of Bhutan function.

Being very thoughtful about the indicators you use as an evaluator can be an important contribution to sustainability for the public good.

#### Systems Thinking

The second important issue for evaluators that I want to talk about today is how we think. If we are to be players in striving for sustainability of our world, we as evaluators need to shift from so much reliance on looking at separate elements to seeing interrelated elements, from reductionist thinking to more systems thinking. Systems are more than the sum of their parts. Think for a moment about the multiple systems of the human body and how important the connections are within and among the systems.

In preparing this talk, I reviewed many examples of the global challenges we face. I was looking for good examples to convince you how serious our global environmental situation is. I found that the stories are everywhere and I couldn’t figure out which one to pick.

Then I realized, I was on the wrong track. I didn’t need to convince you of the seriousness of our situation. I think you already know. Rather, I realized I wanted to illustrate how we as evaluators should analyze the stories we see in the news every day or the stories our clients tell us as we begin to engage with them about an evaluation. By analyzing stories and situations from a systems thinking orientation, we can hone our ability to think systemically and use that way of thinking in our evaluations.

The day I realized this, I saw a story in *The New York Times*[[1]](#footnote-1) that I’ll use to illustrate reading with a systems thinking orientation. This orientation provides us with more ideas about levers/ways to influence and change systems.

**Citrus Disease With No Cure Is Ravaging Florida Groves *[read title]***

***[slide 13 first Build –show orange grove]***

***[slide 13 second build-word coming on screen = ENVIRONMENT]***

*Florida’s citrus industry is grappling with the most serious threat in its history: a bacterial disease with no cure that has infected all 32 of the state’s citrus-growing counties.*

*Although the disease,* [*citrus greening*](http://www.aphis.usda.gov/plant_health/plant_pest_info/citrus_greening/index.shtml)*, was first spotted in Florida in 2005, this year’s losses from it are by far the most extensive. …The bacteria, which causes fruit to turn bitter and drop from the trees when still unripe, affects all citrus fruits…*

This paragraph draws our attention to an important issues in thinking systemically— the pattern of growth of a problem over time. For example, is it linear or nonlinear?

***[slide 13 – words coming on the screen – nonlinear change]***

This may well be a case of exponential growth. In exponential growth—which is one type of nonlinear growth—the problem starts out slow and creeps along for quite a while and then the problem grows at a much faster rate. This is different from linear growth which we often (incorrectly) assume to be the typical pattern of change. In linear growth approximately the same amount of change occurs, say, each year. But in exponential growth it might take 10 years to lose half the crop and then in the next year nearly the whole crop could be destroyed. I saw this pattern in the mountains of Colorado with the pine bark beetles when I lived there 10 years ago.

The article goes on to say:

*The industry, lashed over the years by canker disease, hard freezes and multiple hurricanes, is no stranger to hardship. But citrus greening is by far the most worrisome.*

***[slide 13- for the bold words below, click through to have those words come on the screen]***

Here we see multiple events of nature affecting the industry—disease, frost, and hurricane. We are not dealing with a single problem but **multiple shocks** to the oranges. We are seeing multiple **entangled systems** each with their own **cycles** and **time lags**.

The article goes on to say why citrus greening is especially worrisome.

*The disease, which can lie dormant for two to five years, is spread by an insect no larger than the head of a pin, the* [*Asian citrus psyllid*](http://anrcatalog.ucdavis.edu/pdf/8205.pdf)*. It snacks on citrus trees, depositing bacteria that gradually starves trees of nutrients. Psyllids fly from tree to tree, leaving a trail of infection.*

Here we see the complex **interdependencies** of nature’s systems, the bacteria, the psyllid insects, and the trees.

***[slide 13 – next build bring up interdependence]***

Next we hear about the **economic** consequences:

***[slide 13 – next build brings up economy]***

*In a 2012 report, University of Florida agricultural analysts concluded that between 2006 and 2012, citrus greening cost Florida’s economy $4.5 billion and 8,000 jobs.*

OK, thinking in terms of the TBL, we’re now moving to the wellbeing of the general economy but also the personal lives of 8,000 people and more. The article doesn’t follow the “people” issue but if it did, I’m sure we would find **social justice** issues here.

***[slide 13 – next build brings up Social Justice]***

Who profits? Who loses in this situation? Is it predominantly low-wage farm workers losing jobs?

Back to the article to look further at systems characteristics:

*Some orange packers and small and midsize growers have sold their groves, razed them for development, or simply abandoned them…. Many more, including the largest growers, are doing what they can to survive; they say … they can hold on long enough for researchers to find a treatment.*

***[The next 2 builds on slide 13 will bring up the bold words below]***

Now we are getting into major issues of sustainability of the industry as well as the orange groves themselves. The **resilience** and **adaptability** of economics and nature’s systems comes to mind.

Next, the article moves into collective action and the role of larger systems—politics, government, and research—to “solve the problem”. We’re moving beyond the individual orange grove owners to larger systems.

*Florida’s thousands of growers have… spent $60 million over six years, money raised mostly from a self-imposed tax, to create a research foundation seeking to eradicate greening. The federal Department of Agriculture also has dedicated millions of dollars to the effort.*

*Researchers are working on several tracks, among them hindering the insect’s reproductive cycle or its ability to transmit the disease, and developing resistant trees.*

Here we see exploration of **multiple** potential **interventions** when dealing with complex entangled systems.

***[slide 13 –next build brings up – multiple interventions]***

Let’s look at just one more point from the article.

*Baby citrus trees must now be raised in greenhouses before they can be transplanted. And most growers douse their groves with a more powerful cocktail of nutrients AND spray insecticide more frequently, which has helped slow the disease’s progress.*

If we were talking to a member of the Pesticide Action Network, I’m sure we could see their antennae go up with alarm about the impact of those insecticides. How are those insecticides affecting the nearby rivers and water supplies? What about Social Justice in terms of the greenhouse workers and their exposure to pesticides. We easily envision the ever expanding ripple effects to more systems.

The story goes on but hopefully the point is made. We are dealing with complex and entangled systems, not separate elements.

Both reductionist thinking and systems thinking have a role to play in evaluation. We are very good at reductionist techniques. They come out of decades of scientific and social science methods of research. However, we need to focus increased attention on research and theories that help us think in terms of complex systems.

We need to both Zoom In and Zoom Out when conducting evaluations.

### Further Application: Applying Systems Thinking to Our Evaluations

**Participant Activity (Second question)**

In the next few minutes, I want to illustrate one systems thinking framework that can be useful in evaluation. Before doing so, I want you to have in mind a concrete evaluation of your own. Take a minute to write down your response to the second question on your handout:

*Describe an evaluation you are involved in:*

Just jot down a few phrases to keep you focused on a specific evaluation.

*[1 minutes for writing.]*

OK. I’m now going to use a general systems thinking framework

***[slide 14 first build-just has systems oriented on the side]***

that you’ll find in Bob Williams’ book *Systems Concepts in Action*. It consists of three dimensions to use when thinking about systems—**boundaries**,

***[Slide 14 second build]***

**relationships,**

***[Slide 14 third build]***

and **perspectives**.

***[Slide 14 fourth build]***

Note here that I’m using perspectives to mean a world view, for example, a view of sustainable living based on the Triple Bottom Line. I don’t mean point of view in the sense of seeing something from closer or further away. Perspective is a foundation of a system.

The purpose for using these dimensions is to help identify ways that are likely to be powerful enough to change a system.

To illustrate this use of Boundaries, Relationships, and Perspectives, let’s look at an evaluation that my colleague, Pat Jessup, and I did a few years ago. It was a federally funded middle-school science curriculum development project led by a dynamic young university professor of engineering.

***[slide 15 first build: project on the side of screen]***

Initially, we defined the boundaries of the evaluation as the boundaries of the project.

***[slide 15 second build: ball and word Boundaries]***

***[Slide 15 third build: curriculum etc]***

We designed a typical outcomes evaluation that focused on the relationships between the curriculum, instruction, teachers, and students’ learning outcomes.

***[slide 15 fourth build: add Relationships]***

We relied on interviews as well as student learning measures. We learned about relationships ranging from the relationship between the curriculum and student learning outcomes to the relationships between teachers and students. One of the key features that came out of the analysis was the importance of **flexible** relationships. This allows adaptation to fit students’ needs.

***[side 15 fifth build: add Flexible]***

We also paid careful attention to the underlying perspective on which the project was built.

***[slide 15 sixth build; add the pedestal; TBL and Perspective]***

Basically the project director was grounding the work in the triple bottom line and he was passionately committed to this orientation.

The curriculum he was developing focused on relevant and important local environmental issues (environment). It used instructional methods appropriate for students who were typically underrepresented in science classes (to address social justice), and the units were being developed with cost considerations in mind (economy).

The project director, however, wanted to not only create curriculum units; he also wanted that curriculum *used on a regular basis* over time across the district where he was working. That is, he was interested in changing the curriculum and instructional system of the district.

***[Slide 16 – first build – District label]***

Here’s where systems thinking became important in this evaluation. We needed to put the project within this larger system.

***[slide 16 second build that has the project diagram]***

To investigate the likelihood of ongoing use of the curriculum, we knew the boundaries of the evaluation were too constrained if we looked just within the project.

***[slide 16 third build (district circle and Boundary)]***

In the second year, we opened the boundaries of the evaluation to now be the whole of the district.

We looked next at relationships within the district as a whole. Again we used interviews and surveys for data collection. As we analyzed our data we were able to show an important mismatch. Woven throughout the project were flexible relationships where as the district had an emphasis on all schools and teachers using the same curriculum, certain ways of moving teachers within the district in a way that emphasized economics rather than building relationships between teachers and students. Basically, the data showed relatively **inflexible** **relationships** running through the district. Here was a major point of incompatibility with relationships in his project.

***[slide 16 fourth build (add Inflexible Relationships)]***

From our data collection, it also became apparent the district generally did not share his perspective about adapting to the interests and life situations of the students he sought to serve. The district was focused on economic efficiencies.

***[slide 16 fifth build; add Perspective]***

The project director concluded that the differences in relationships and perspectives between his project and the district were very serious.

In the end, the director finished the project and produced high-quality curriculum and instructional units with strong supporting evaluation data about teacher and student outcomes. However, he shifted his focus for future projects. He is now focused on building relationships with new partners who can collectively influence the education systems in more significant ways with a Triple Bottom Line orientation.

This example is a simple illustration of the need to move beyond measuring outcomes of individual projects to seeing how these projects related to larger systems. We didn’t abandon the focus on teaching and learning outcomes but rather positioned it within a systems orientation, and in this case, linked to sustainability defined by the Triple Bottom Line. Thus we can provide program leaders with ideas of how to have a more lasting impact on the systems in which they work.

Let me note that the use of the Boundaries, Relationships, and Perspectives framework is only one of many ways of using a systems orientation in evaluation. We don’t have time now to look at others but we will discuss others in the workshop that follows this session and you can find some of them on our InSites website.

**Partner Activity**

OK, back to **your** evaluation. With this example in mind and all we have talked about, please work with a partner to respond to the next question on your sheet. This time, exchange sheets. One of you tell your partner how you might *adjust boundaries, relationships, and/or perspectives related to YOUR evaluation (to better focus attention on achieving sustainable systems that support social justice and environmental well-being while attending to economic issues).*

Have your partner make notes as you give your answers. Then reverse roles.

*[give signal at one minute so they change roles.]*

[*indicate end of breakout.*]

How many of you were able to think of ways to rethink relationships, boundaries, and perspectives that will better take into account systems thinking which in term can potentially make a greater contribution to the public good?

*[raise hands]*

Now please take a minute to reflect on all of what we have discussed in the last 40 minutes and jot down a few key words in the response to the final question on your sheet.

*What is your vision of how your future evaluation practice will contribute to the public good?*

For example, you might write down the three components of the triple bottom line in the form that works for you: 3Ps—people, planet profit or 3Es—equity, environment, and economy. Or note the motto: Enough for all forever. Or Sustainability for the Public Good. Just get something down that you can build on in the future.

*[pause]*

When you are done, tear off the duplicate copy to give to Lauren as you leave.

### In Conclusion: Taking Action

Before closing, let me tell you where I am now in my thinking about how the concepts we discussed today might be tied together to shape evaluation practice.

As I said earlier I began working on this presentation with this vision:

***[Slide 17 which is the same as slide 3]***

*I envision evaluation contributing much more powerfully to the public good by attending to the Triple Bottom Line and using a systems orientation.*

Now I think my vision could be better articulated as this:

***[slide 18]***

*I envision conducting evaluations that use systems thinking and measures informed by the Triple Bottom Line to support sustainability for good.*

We need both public and private good. I also started to think of the use of the phrase “for good” meaning “forever”.

Thus this is my next evolution of thinking as I strive to move forward on conducting evaluations to contribute to a sustainable world.

As you do likewise, I encourage you to think about working with others to more fully embrace what it means to work in new ways that address complexity. It will likely take more collaborative work, reframing of our evaluations, and rethinking our relationships with our clients. In so doing, I believe we can contribute to sustainability for good and a future with “enough for all forever.”

***[slide 19]***

Please join me in using evaluation to move in this direction.

Thank you.

1. Alvarez, L. (2013, May 9). Citrus disease with no cure is ravaging Florida groves. *The New York Times*. Retrieved from http://www.nytimes.com/2013/05/10/us/disease-threatens-floridas-citrus-industry.html?nl=todaysheadlines&emc=edit\_th\_20130510 [↑](#footnote-ref-1)