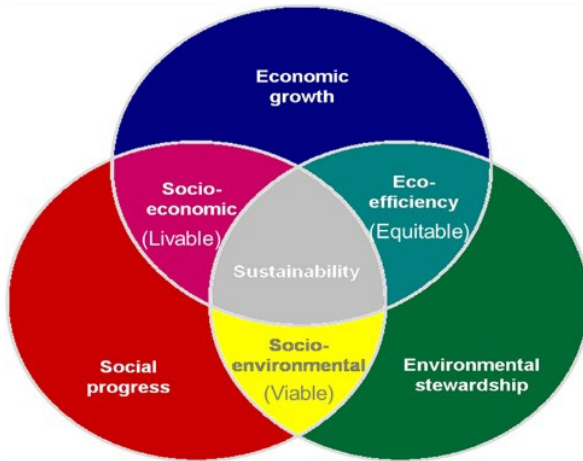


CSR, TBL, and Too Many Other Acronyms



It is becoming increasingly important that both professionals, and the organizations that employ them, are socially and environmentally aware—and act responsibly to protect the rights of others. The significance of social and environmental awareness, and its links to governance¹ and overall financial performance are increasing and evolving. Unfortunately, this trend offers marketing opportunities to a host of consultants, who seem to need to differentiate their offering with another acronym.

The financial consequences of failing to be socially aware started to be felt in the 1950s. Around this

time, investors started excluding stocks, or entire industries, from their portfolios based on business activities such as tobacco production or involvement in the South African apartheid regime. These considerations developed into an umbrella concept of environmental, social, and corporate governance with the acronym ESG. The term ESG was popularly used first in a 2004 report titled *Who Cares Wins*², which was a joint initiative of financial institutions at the invitation of the United Nations. Then the UN's 2006 report *Principles for Responsible Investment* (PRI) required ESG to be incorporated into the financial evaluations of companies.

Under ESG reporting, organizations are required to present data from financial and non-financial sources that shows they are meeting the standards of agencies such as the Sustainability Accounting Standards Board, the Global Reporting Initiative, and the Task Force on Climate-related Financial Disclosures. The data must be made available to rating agencies and shareholders.

Corporate social responsibility (CSR) is the flip side of ESG. CSR is the belief that corporations have a responsibility toward the society they operate within. This is not a new idea; it is possible to trace the concerns of some businesses toward society back to the Industrial Revolution and the work of primarily Quaker business owners to provide accommodation and reasonable living standards for their workers.

However, it was not until the 1970s that concepts such as social responsibility of businesses being commensurate with their power, and a business functions with public consent, started to become mainstream. Today, CSR is a core consideration for most ethical businesses.

These concepts were turned into a structured set of guidelines in 1981, when Freer Spreckley suggested in *Social Audit - A Management Tool for Co-operative Working*³ that enterprises should measure and report on their financial performance, social wealth creation, and environmental responsibility. These ideas have become the *triple bottom line* (TBL), which is also considered essential to effective organizational

¹ For more on **organizational governance** see: <https://mosaicprojects.com.au/PMKI-ORG-005.php>

² Download the 2004 report from: https://www.unepfi.org/fileadmin/events/2004/stocks/who_cares_wins_global_compact_2004.pdf

³ Spreckley, Freer (1981). *Social Audit: A Management Tool for Co-operative Working*. Beechwood College.

governance. Most of the major corporate governance frameworks require the TBL to be included in corporate reporting.

In his foreword to *Corporate Governance: A Framework – Overview* (prepared by the World Bank in 2000), Sir Adrian Cadbury summarized these objectives in his statement: "*The aim is to align as nearly as possible the interests of individuals, corporations, and society.*"

Similar concepts to the TBL also form a core component of most codes of ethics and professional conduct. For example, the current version of PMI's Code of Ethics and Professional Conduct includes:

- **2.2 Responsibility:** Aspirational Standards: As practitioners in the global project management community:
 - 2.2.1 We make decisions and take actions based on the best interests of society, public safety, and the environment.
- **4.3 Fairness:** Mandatory Standards: As practitioners in the global project management community, we require the following of ourselves and our fellow practitioners:
 - 4.3.4 We do not discriminate against others based on, but not limited to, gender, race, age, religion, disability, nationality, or sexual orientation.

So far, so good. There has been a simple set of unambiguous requirements in place for 30-plus years that are straightforward and easy to understand. These simple (if difficult to achieve) concepts have been refined to make consideration of environmental (sustainability), social and financial outcomes important in every decision-making process, including those affecting the organization's projects⁴.

However, having become a hot topic for boards, investors and managers alike in the last couple of years, these ideas seem to be disappearing into a blizzard of acronyms that appear to be more about differentiating a consultant's services than adding value. The acronyms used in this paper, and some of the newer acronyms include:

- **3Ps:** People, Plant, Profit
- **CSR:** Corporate Social Responsibility
- **DEI:** Diversity, Equity and Inclusion (alternatively **EDI**)
- **DIB:** Diversity, Inclusion and Belonging
- **D&I:** Diversity & inclusion
- **ESG:** Environment, Social, and Governance
- **JEDI:** Justice, Equity, Diversity and Inclusion
- **RAP:** Reconciliation Action Plan
- **SDGs:** Sustainable Development Goals (published by the UN)⁵
- **TBL:** Triple Bottom Line

⁴ For more on the *governance of projects, programs, and portfolios* see: <https://mosaicprojects.com.au/PMKI-ORG-005.php#Process3>

⁵ For more on the UN's SDGs and how they apply to project management see *Sustainable project management:* https://mosaicprojects.com.au/Mag_Articles/SA1051_Sustainable_project_management.pdf



My concern is that while the concepts defined by each of the acronyms above are of themselves valuable (once you work out what they mean), and a few, such as the UN's sustainable development goals, add substantially to the TBL framework, most are either sub-sets of the overarching objectives defined in PMI's Code of Ethics and Cadbury's simple statement, or essentially cover the same concepts.

First Published 13th February 2023 – **Augmented and Updated**



**Downloaded from Mosaic's PMKI
Free Library.**

For more papers focused on **Organizational Governance**
see: <https://mosaicprojects.com.au/PMKI-ORG-005.php>

Or visit our PMKI home page at:
<https://mosaicprojects.com.au/PMKI.php>



Creative Commons Attribution 3.0 Unported License.

Attribution: Mosaic Project Services Pty Ltd, downloaded from
<https://mosaicprojects.com.au/PMKI.php>