PBAF 599A: Quadruple Bottom Line Performance

Syllabus (ver 3.26.16)

Spring Quarter
Thursdays 5:30pm to 8:20pm
Savery 139

Professor Joaquín Herranz Jr.
Parrington 209B
Office Hours: Wednesdays, 4pm to 5pm, and by appointment
jherranz@uw.edu

Course Summary
This new course offering examines the Quadruple Bottom Line (QBL) as a conceptual framework and emerging set of tools for a more comprehensive and balanced accounting of organizational and institutional behavior and outcomes related to economic efficiency, social equity, environmental sustainability, and creative cultural vitality.

Course learning objectives include: 1) skills in critically assessing the advantages and disadvantages of each bottom line both conceptually and methodologically; 2) understanding QBL performance in the context of early 21st century social and economic restructuring; and 3) developing practical QBL tools for individuals and organizations.

Overview
The course builds upon the triple bottom line idea that was initially coined in John Elkington’s 1997 book Cannibals with Forks: the Triple Bottom Line of 21st Century Business. Elkington describes the triple bottom line of “profit, people, and planet” as an approach that for-profit businesses may use to account for non-financial values like social value (e.g., treating workers fairly and justly) and environmental value (e.g., less waste and energy consumption).

Although the triple bottom line idea has been used by hundreds of firms for a variety of business purposes related to internal operations (e.g., business planning & management), external accountability (e.g., annual reports to shareholders), and market investments (TBL-type stock index funds for individual and institutional investors), the idea remains relatively under-developed conceptually, methodologically, and practically. The triple bottom line ideas has also not yet been fully framed within the context of public policy or of government and nonprofit organizations. We will do so in the course.

In our course, we will critically analyze the triple bottom line idea as well as the fourth bottom line of creative cultural vitality. We will examine the advantages and disadvantages associated with the “valuation” of each bottom line.
Quadruple Bottom Line Trade-offs

A key theoretical and methodological assumption of the financial bottom line is that price represents market “value.” This assumption has the advantage of yielding a simplified and widely used measure as well as has the disadvantage of not fully accounting for the failure of some markets to include all “perfect” information in a market price or to account for market “imperfections” and externalities. A key theoretical and methodological assumption of the social bottom line is that it represents “public value.” This assumption has the advantage of historically yielding a variety of social indicators regarding public goods and social benefits as well as the disadvantage of methodological challenges related to correlation and causation. A key theoretical and methodological assumption of the environmental bottom line is that it helps account for environmental “values” of the natural world that are not fully accounted for in the economic and public values of the human world. This assumption has the advantage of catalyzing innovation in improved environmental valuation (e.g., carbon use and costs; index rankings such as LEED: Leadership in Energy Environmental Design) as well as the disadvantage of early-stage definitional (e.g. “green” certification, “green-washing”) confusion and contestation.

In examining the fourth bottom line, we will discuss the issues of defining art, culture, and creativity. Specifically, we will highlight the extrinsic and intrinsic value assumptions associated with art, culture, and creativity. As part of this examination, the notion of cultural creativity will be defined and operationalized within the QBL framework. Issues discussed include extrinsic value (e.g., economic impacts of arts and culture; social impacts of arts and culture; cultural heritage; creative economy) and intrinsic value (e.g., creativity as process & product; art as aesthetic; cultural vitality and quality of life). A key theoretical and methodological assumption of the cultural creativity bottom line is that it helps account for both the extrinsic value and intrinsic value of art, culture, and creativity. This assumption has the advantage of helping to account for human creativity, culture, and the fundamentals of a creative economy as well as has the disadvantage of emergent definitional and methodological challenges. This approach relates to an emergent movement by researchers and policymakers to better define and measure the creative economy as indicated by the recent initiative between the U.S. Bureau of Economic Analysis and the National Endowment for the Arts to identify and calculate the arts and culture sector’s contributions to the Gross Domestic Product and to explore measures of innovation, the creative economy, and intangible goods.

Contextual Trends

The course situates QBL performance within four broad societal and economic global trends: 1) increasing societal expectations for transparency and full accountability; 2) proliferating strategies and tools related to performance measurement and management in the public, nonprofit, and for-profit sectors; 3) shifting behavior by individuals, organizations, and networks towards technologically-enabled, information-based, innovation-focused creative economies; and 4) growing urbanization and associated demand for quality of life, cultural amenities, and high performance living.

The first trend of transparency and accountability refers to the growing demand by stakeholders for improved disclosure of activities and resources by government, nonprofits, and corporations.
Partially motivated by the global spread of democratic principles and the digitalization of social accountability enabled by information and communication technology, demand is increasing for more detailed information and reporting within and outside organizations. Also fueling increasing expectations for transparency and accountability is the proliferation of social media and the voluntary and involuntary (e.g., hacktivists) disclosure of organizational performance.

The second trend of performance measurement and management refers to the increasing development and adoption of conceptual and methodological approaches to measuring and managing the performance of government agencies and nonprofits as well as businesses. For example, full cost accounting, benefit/cost analysis, and environmental economics are making relatively recent breakthrough innovations in conceptualizing and measuring non-financial resources and values. In recent years, the performance statistics movement (e.g., NYPD CompStat, CitiStat) sweeping across the United States (and world) is associated with significant improvements in the effectiveness and efficiency of publicly-provided services. Emerging “big data,” “smart city” and “intelligent city” initiatives (such as those being developed and invested in IBM and the Rockefeller Foundation) are related examples of innovations in performance measurement and management that are accelerating throughout the United States and around the world.

The third trend of creative economies refers to shift from an industrial to an information-based knowledge and creative economy. Several scholars suggest that a key way to conceptualize the emerging knowledge-based economy is by the notion of a creative economy. Research suggests that regional economies characterized as creative economies may have higher performance with regard to economic outcomes (and social/racial equity outcomes) than those without such attributes. Such creative regional economies tend to be associated with higher presence of arts, culture, and creative occupations. Regional innovation (e.g. patents, intellectual property) and economic growth may be correlated with high percentages of creative occupations & high density of artistic and cultural resources.

The fourth trend refers to an increasingly urbanized world. Currently, more than half the world’s population lives in urbanized regions. Forecasts suggest that by 2050 perhaps as much as 70 percent of humans will live in urbanized metropolitan regions. This shift is being accompanied by rising standards of living and expectations for urban (i.e., art and cultural) amenities associated with economic growth, increased efforts to more efficiently use energy and natural resources, efforts to reduce environmental costs (e.g., climate change) and to preserve environmental conditions via sustainable practices, and interest in protecting and promoting individual freedoms related to cultural practices and creative expression. Related to urbanization and the creative economy is the growth of cultural product industries and the increasing symbolic value and financial value of design-based firms (i.e., Apple recently was the most (stock) “valued” company in the world). At the same time, urbanization is occurring within the context of globalization that is often associated with mass-standardized consumer goods as threats to cultural heritage sustainability. Moreover, urban centers are often characterized by higher levels of arts, culture, and creativity than non-urban areas. And, urban centers are historically characterized by higher levels of economic, industrial, social, and political innovation. Urban centers also usually require higher levels of social and governmental organization and
administration, making them appropriate foci for public policies, multi-sectoral collaboration, and network coordination innovations such as QBL concepts and tools.

**Course Intentions**

We will examine the QBL construct as a framework that integrates the convergence of these trends and that may be used to guide research and practice about 21st century organizational performance. We will also discuss how the QBL approach may be used to help frame discussions among policy makers, leaders, managers, and the public. Specifically, the QBL perspective is presented as an integrative framework that may be used by diverse stakeholders to simultaneously deliberate upon multiple performance outcomes expectations. Such discussions may integrate and advance efforts to manage the development of organizations around the globe that are viable financially, socially, environmentally, and culturally. We will use the QBL framework to guide learning and discussion about the performance of governmental, non-governmental, and for-profit organizations around the world as a way to help address the challenges of 21st century governance so that global societies are more prosperous, equitable, environmentally sustainable, and culturally creative.

This class uses readings, class discussions, guest speakers, written assignments, and student presentations to explore and learn about quadruple bottom line performance.

**Requirements**

**Participation, readings, and class discussion:** This course relies on class discussion to critically explore issues and trade-offs related to quadruple bottom line performance. The quality of each class will depend upon your preparation. As we progress through the quarter, you will have several opportunities to evaluate your own participation and get feedback as well.

Because of the size of the class and the importance of your speaking and listening to others in the class, we will often break up into small groups then come back to have a whole class discussion so the entire class can benefit from the small group discussions.

**Readings**

There are no required textbooks. Readings are available on our Canvas course website.

**GRADING:**

The final grade for the course will be comprised of the following components:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class participation</td>
<td>25%</td>
</tr>
<tr>
<td>Canvas discussion posts #1, #2, #3</td>
<td>15%</td>
</tr>
<tr>
<td>Memos, 2 @ 10%</td>
<td>20%</td>
</tr>
<tr>
<td>Final paper (30%) and presentation (10%)</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
Participation
Student participation grades will be calculated based upon: 1) quality and quantity of contributions to classroom discussions; 2) discussion facilitation of selected course readings for one class session; 3) responses to other students’ discussion posts.

WRITTEN ASSIGNMENTS

Discussion Board Posts: During the quarter, students are required to respond to several prompts by posting to discussion threads on our Canvas website. All your posts will count for 20% of your total grade in the course.

Memos: Two memos will be due during the quarter. Memos should be no more than 3 pages long (1 inch margins, 12 point font, double-spaced).

Team Project: Final Paper and Presentation: The course-long team project provides an opportunity for you to integrate and apply your learning while developing a focused response to a question related to key course themes. With colleagues interested in the same topic, you will create a professional paper and presentation that addresses one of the issues/questions below. Teams may be no larger than five students.

Team Project/Final Paper Topics
Possible student projects in the course include:

A. Develop a QBL performance measurement and management system for a government, nonprofit, or for-profit organization.
B. Propose QBL-based governmental procurement guidelines.
C. QBL-based global digital currency.
D. Student-generated topic.
From the Evans School Student Handbook 2014-2015:

EVANS SCHOOL POLICY ON ACADEMIC INTEGRITY

You are joining a learning community in the Evans School of Public Affairs that is committed to the highest academic standards. As a member of this community, you agree to uphold the fundamental standards of honesty, respect and integrity, and you accept the responsibility to encourage others to adhere to these standards. You also have a responsibility to conduct yourself in adherence to the University's Student Conduct Code, and to maintain good academic standing in the program. In addition to these expectations of responsibilities, you also have rights and recourses to address grievances. This section describes these rights and responsibilities. It is your responsibility to understand these expectations now.

Student Conduct Code
The first expectation is that Evans students adhere to the University's Student Conduct Code. The following is an abbreviated version. The complete code is available in Washington administrative Code, Chapter 478-120.
"Admission to the University carries with it the presumption that students will conduct themselves as responsible members of the academic community. As a condition of enrollment, all students assume responsibility to observe standards of conduct that will contribute to the pursuit of academic goals and the welfare of the academic community. That responsibility includes, but is not limited to:
- academic and professional honesty and integrity,
- refraining from actions which would interfere with University functions or endanger the health, safety, or welfare of others, and
- complying with the rules and regulations of the University and its units.

Violations of these standards may result in a variety of disciplinary actions, including suspension or permanent dismissal from the University."

ASPA Code of Ethics
In addition, the American Society for Public Administration has its own Code of Ethics, including "(6) Demonstrate personal integrity: Adhere to the highest standards of conduct to inspire public confidence and trust in public service." Your time at the Evans School will give you an opportunity to practice these codes.

Student Academic Conduct (This section is drawn primarily from the Committee on Academic Conduct in the College of Arts and Sciences)
Students at the Evans School are expected to maintain the highest standards of academic conduct, and of course most do. Cheating harms the person cheating, as it deprives them of the opportunity to learn the material. It also harms honest students who are frustrated by the unfairness of cheating that goes undetected and therefore unpunished.
Examples of Triple Bottom Line and Quadruple Bottom Line Analyses

Please note that the documents below are available on our Canvas website module “Applications of TBL and QBL Analytical Frameworks.”

Applications of TBL analysis


Applications of QBL Analysis


Class 1. Thursday, March 31, 2016

*Introduction to the Triple Bottom Line and the Quadruple Bottom Line*

READ:


http://nonprofitqbl.wix.com/home  (links to an external site, created by PBAF599 QBL students in 2015)

Class 2. Thursday, April 7, 2016

*Sustainability, Corporate Social Responsibility (CSR), Diversity, and the Triple Bottom Line*

READ:


SKIM (optional):


Class 3. Thursday, April 14, 2016

Guest Speaker: Tom Waldron, CEO, Waldron (a certified B corporation),
http://www.waldronhr.com/

Sustainability Sweet Spots, Accountability, and Backlash

READ:


Class 4. Thursday, April 21, 2016

Guest Speaker (5:30pm): Randy Engstrom, Director, Seattle Office of Arts and Culture

*Creative Economy and The Quadruple Bottom Line*


NEA Guide to the U.S. Arts and Cultural Production Satellite Account (Including a Blueprint for Capturing the Economic Value of Arts and Cultural Workers and Volunteers). Read: Preface, pages 1 to 19, 22 to 36.  
http://arts.gov/sites/default/files/nea_guide_white_paper.pdf


SKIM (optional):


http://prospect.org/article/ruse-creative-class-0

Class 5. Thursday, April 28, 2016

Guest Speaker: Nelson Del Rio, Chairman and Managing Director, Prosperity of the Commons International http://prosperityofthecommons.org/

A Fourth Bottom Line: Art, Culture, Creativity, and Innovation

READ:


SKIM (optional): resources related to creative economy research:

http://www.nasaa-arts.org/Research/Key-Topics/Creative-Economic-Development/Creative-Economy-Research.php


Class 6. Thursday, May 5, 2016

Guest Speaker (6:30pm): Howard Behar, former president, Starbucks Coffee Company

*Critiques of CSR, Accounting for Environmental Costs, and the TBL*

READ:


SKIM (optional):


Class 7. Thursday, May 12, 2016

*Government and Governance*

READ:


SKIM (optional):


Class 8. Thursday, May 19, 2016

*Organizational Structures, Cultures, and Change*


SKIM (optional):


**Class 9. Thursday, May 26, 2015**

TBA

**Class 10. Thursday, June 2, 2016**

Presentations
PEER ASSESSMENT FORM
PBAF 599A: Quadruple Bottom Line Performance

PART ONE: Contributions to My Learning
Ways in Which Others Contributed to My Learning

NAME: _________________________________________

Please turn this in or email it on the day final project papers are due. This document is REQUIRED in order to process your participation grade. Please keep track during the term of whose contributions are helpful to you. Thank you for recognizing and appreciating others’ contributions to your learning.

Please name the individuals in the class who have contributed most to your learning. Please describe what you have gained by their contributions, the nature of their contribution, and provide some illustrative examples.

Please identify people who have contributed to your learning:

In the classroom:
(e.g., comments & questions in class discussions and small-group discussions)

Outside of class:
(e.g., helpful contributions from others when preparing for class, assignments, and team projects)
PART TWO: Peer Evaluation of Final Project Team

1. What are some things your team did really well in this project?

2. What are some things you and your team could have improved upon?

3. Please recommend a “team member performance grade” for each member of your team: