

A Research Framework for Measuring Multiple Bottom Lines

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This paper presents a proposed framework for measuring multiple bottom lines (MBLs).

Corporate Social Responsibility (CSR) advocates argued that to truly measure a company's achievements, the full impact of their efforts on society and the environment also needed to be computed. It was argued that each area of measurement: financial, social and environmental, is equally as important and should have its own bottom-line calculation to assess the firm's progress in each area during the evaluation period. While extensive research and study has occurred on the concept of MBL, theories on how to report and measure MBLs is still evolutionary and inconclusive. To bridge the gap in the literature and research, this study has developed a proposed research framework for measuring MBLs.

Keywords: multiple bottom lines, corporate social responsibility and people, planet and profits

This paper presents a proposed framework for measuring multiple bottom lines (MBLs). MBL is a term that describes a company's attempt to not only measure its financial bottom line, but additionally create measures for important, non-financial initiatives and outcomes. The MBL concept evolved as corporate citizenship advocates argued that simply measuring an entity's financial bottom line to determine whether the company was successful was not sufficient. Corporate Social Responsibility (CSR) advocates argued that to truly measure a company's achievements, the full impact of their efforts on society and the environment also needed to be computed. It was argued that each area of measurement, financial, social, and environmental, is equally as important and should have its own bottom-line calculation to assess the firm's progress in each area during the evaluation period. While extensive research and study has occurred on the concept of MBL, theories on how to report and measure MBLs is still evolutionary and inconclusive. To bridge the gap in the literature and research, this study has developed a proposed research framework for measuring MBLs. This research: (a) defines a bottom line and MBL, (b) provides background on the MBL theory, (c) outlines existing research and literature, (d) identifies unanswered and underdeveloped research questions, (e) proposes measurement methods for MBLs, (f) addresses how to handle multiple dimensions across companies and over time, (g) develops a conceptual/theoretical framework and an

empirical framework for how theories can be tested and (h) concludes with an application of how this research may impact 21st century businesses.

A Bottom Line and Multiple Bottom Lines

The financial term, the bottom line, describes the final line on a firm's profit and loss statement. The bottom line, by definition, has historically been the definition of how well a firm performed for a given time period and is computed by subtracting a firm's expenses from its revenues to derive the amount of net income that was earned.

In the later quarter of the 20th century, corporate citizenship advocates argued that simply measuring a entity's bottom line to determine whether the company was successful was not sufficient. Researchers argued that to truly measure a company's achievements, the full impact of their efforts on society and the environment also needed to be computed. Each area of measurement, financial, social and environmental, should be equally as important and have its own bottom-line calculation to assess the firm's progress in that area during the fiscal period. Multiple bottom-line advocates do not seek to simply maximize profits, but instead to get the most out of each of their bottom lines. In some cases this may mean compromising on one of the bottom lines for the sake of one of the others. For example, deciding to pay a living wage to workers in a developing country when other companies are paying wages standard to the native economy and below poverty levels. The establishment of a reasonable wage may impact the financial bottom line, but it enhances the evaluation of how the firm is performing on its contribution to society or its social bottom line.

The concept of a triple bottom line can be outlined by looking at the three-legged stool metaphor. CSR theory advocates that each of the legs on the stool (or societal, environmental, and financial or people, planet, and profit) initiatives and outcomes should be considered equally. Placing greater priority on one, CSR advocates would contend causes the company or stool to be less balanced or stable than optimal.

**FIGURE 1
BALANCING PEOPLE, PLANET AND PROFIT MEASURES**



Environmental Responsibility Society (Social Needs) Financial Results

Advocates of the multiple bottom-line adoption maintain that companies that consider societal and environmental outcomes, in addition to financial milestones are better corporate citizens and more profitable in the long run (from a societal standpoint at least) than their counterparts that simply seek to maximize profits.

BACKGROUND

As societal and environmental concerns emerge to the forefront of many countries, companies and individuals, the concept of corporate citizenship and responsible practices has gained notoriety and momentum. Organizations are being encouraged to consider more than simply their profitability and financial bottom lines when evaluating if they have been successful in their efforts. Corporate citizenship

outlines that a company's practices impact many stakeholders and that its outcomes should be planned, executed, and evaluated based on the impact on those stakeholders. Stakeholders may include shareholders, employees, customers, vendors, society, and the environment. The concept of corporate citizenship has prompted the need for companies and organizations to: 1) balance their priorities and strategic initiatives to ensure that they are strong corporate citizens, 2) ensure that they are considering the outcomes of their financial, social and environmental practices and not sacrificing one at the cost of another and 3) develop measures that evaluate an entities progress toward achieving their goals and initiatives that balance their priorities with all stakeholders.

The multiple bottom line (MBL) theory has evolved that outlines how companies seeking to balance their outcomes between all stakeholders, not just their shareholders can measure both their financial and non-financial outcomes. The goal of the MBL is that entities are evaluated based on their ability to establish a long-term, mutually beneficial relationship with all stakeholders and the ecosystem as a whole. Many proponents outline: that all companies should evaluate their efforts using the triple bottom line approach. Triple bottom line adopters seek to address the needs of all their stakeholders and evaluate the entity's ability to address the balance between economic, social, and environmental priorities.

The challenge is that this concept of corporate citizenship and measuring multiple bottom lines is in an evolutionary state. Measuring a company's proficiency at balancing a set of standards that considers the environment, social concerns and its financial bottom line is daunting. This analysis outlines a proposed framework for further developing the construct of multiple bottom lines as well as future research that can be completed to augment initial theories and studies on MBL measure assessment.

RESEARCH AND LITERATURE TO DATE

The multiple bottom-line construct is in an evolutionary state, with little conclusive and consistent findings in the literature regarding its measurement. The following outlines seminal studies and literature streams on the multiple bottom-line construct. These provide a foundation for the proposed research framework that This Study proposes. The literature streams include:

1. Corporate Social and Environmental Responsibility
2. Corporate Social Responsibility (CSR) and Corporate Financial Performance (CFP)
3. Evolution of the Multiple and Triple Bottom Line (MBL) (TBL) Theory
4. Multiple Bottom-Line Measurement

Analysis of these categories provides a greater understanding of the historical progress made on the topic of the evolution and measurement of corporate social and environmental responsibility. These streams outline: (a) the background and motivations for companies to initiate and participate in socially and environmentally responsible initiatives, (b) the evolution and promotion of CSR activities, (c) measurements proposed and utilized to evaluate CSR initiatives and (d) the application of CSR in twenty-first century businesses.

Corporate Social and Environmental Responsibility

Milton Friedman (1962) started the debate on the topic of corporate social responsibility (CSR) by suggesting that a company's only responsibility was to its shareholders and to maximize profits. Friedman contended that corporations should act in an ethically responsible manner, but that societal and environmental issues should be addressed by the government, funded by taxes paid by corporations and individuals on their maximized earnings. Manne and Wallich (1972) disagreed and argued that a company's objectives should include both financial goals as well as altruistic, ethically focused behaviors and initiatives. In the mid to late 70's both Steiner (1975) and Carroll (1979) introduced the concept that "social, environmental and economic responsibilities are not mutually exclusive or opposing forces" (Tate, Ellram, & Kirchoff, 2010, p. 20). This provided a foundation for Carroll's *Three-Dimensional Conceptual Model of Corporate Performance* where he described that a company's corporate social and environmental

responsibility that proposed that business performance be evaluated based on their combined financial, social and environmental achievements and outcomes.

Corporate Social Responsibility (CSR) and Corporate Financial Performance (CFP)

Carroll's (1979) work, maintained that profitability and socially responsible behavior was paramount and laid the framework for the study of whether socially responsible behavior would translate into improved financial performance. Subsequently, numerous researchers (Arlow and Gannon, 1982; Hart 1995; Hoffman and Ventresca 1999; Hoffman 2000; Adam, 2003; Hengst et al., 2019; Manta et al., 2020) have argued that companies who strategically seek to be socially and environmentally responsible experience improved financial performance through cost savings, resource reduction, an improved reputation, improved public image with multiple stakeholders (Tate, Ellram, & Kirchoff, 2010).

The study of CSR and CFP continued as instrumental stakeholder theory was introduced which argued that there was a positive relationship between CSR and CFP (Clarkson, 1995; Cornell and Shapiro 1987; Donaldson and Preston 1995; Freeman 1984; Mitchell et al., 1997; Gulluscio et al., 2020; Manta et al., 2020) as companies meet the needs of the various stakeholders.

Tencati and Zsolnai (2009) agreed with the stakeholder theory and concluded that the key to success and sustainability for companies is collaborating with and creating wealth for all corporate stakeholders. The authors advocate that companies must seek to develop long-term, mutually beneficial relationships with all of their stakeholders if they hope to survive and to produce true and sustainable values for the business ecosystem as a whole. Without this mindset, the researchers contend that the business will eventually become extinct. The research included a series of case studies where companies have realized that collaboration with stakeholders is superior to a purely competitive, self-serving, profit maximizing mindset. The study provided both empirical and theoretical evidence that companies are stronger and have a greater propensity toward sustainability when they seek to consider the environmental, societal, and cultural impact in the markets where they operate.

Orlitzky, Schmidt, and Rynes (2003) provided some concrete evidence of what many business scholars in the prior two decades posited. Their study included a rigorous meta-analysis of 52 prior studies and found evidence that the corporate virtue of social responsibility, as well as to a lesser extent, environmental responsibility did in fact pay off, as positive CFP appeared to be linked to CSR.

Evolution of the Multiple and Triple Bottom Line (TBL) Theory

Simultaneous to the CSR and CFP studies that argued that being a good corporate citizen had financial benefits, another contention of theorist began to argue that better financial performance should not be the impetus for companies to act environmentally and socially responsible. The concept of CSR contends that commercial enterprises have a moral obligation to care for all stakeholders. The shift in thinking is observed in researcher, Kristina Herrmann's (2004) comment:

"The premise of the corporate social responsibility movement is that 'corporations', because they are the dominant institution of the planet, must squarely face and address the social and environmental problems that afflict mankind" (p.205).

The multiple or triple bottom line theory evolve as CSR theorist argued that businesses must be more than simply profit seeking entities and must care for and impact the social and ecological systems through their global reach. This recognition that firms must care for, verses harm the planet and society led to the establishment of the TBL. TBL theorists argued that each area: social, environmental and economic all had merits of their own and that a mechanism and measurement for evaluating a company's: (1) social, (2) environmental and (3) economic outcomes using separate measures was necessary.

This theory contends that social, environmental, and financial outcomes each needed to be separately evaluated and assessed. It was also understood that companies may need to sacrifice economic gains in order to improve societal or environmental outcomes and measures. The TBL approach shifted the mindset from a company being willing to act socially and environmentally responsible with the overall goal of being

more profitable to a culture where companies seek to be socially and environmentally responsible, as well as strive to maximize earnings. In theory, TBL accounting forced companies to abandon the thinking that it was acceptable to adopt socially or environmentally compromising practices if it led to better economic outcomes. With a TBL accounting, companies with subpar societal or environmental practices would have evaluations on their social or environmental assessments that would detract from any positive outcomes economically, causing their overall combine performance to be inferior. TBL theorist were arguing that failure to be altruistic, environmentally responsible or ethical was no longer tolerated and would not be ignored.

Progress has occurred in the area of CSR and triple bottom line reporting. Conley (2005) reports that:

"Almost half of the world's largest corporations now produce social and environmental reports in addition to their financial reports. Although the reports vary enormously in tone and content, they tend to be elaborate and glossy, helped along by an expert community of consultants and "auditors."

Until now they have been voluntary and thus unregulated. They remain so in the US, but in Britain this month new government regulations came into force requiring publicly traded companies to identify and disclose social and environmental risks that are financially material" (p. 7).

Increasingly at the turn of the century, because of increased emphasis and developments in Europe, investors and corporations are seeking to follow triple bottom line practices (Waddock, 2000). The triple bottom line advocate seeks to voluntarily adopt and report on some combination of economic, social and ecological responsible actions. According to Waddock, the shift from profit maximization as the heart of a company's strategy to a focus on long-term sustainability required a more "complex and holistic assessment of organizational performance" beyond what traditional strategic and financial planning and reporting promoted (p.323). TBL reporting seeks to provide meaningful quantitative measures to not only financial goals and outcomes, but also non-financial, social, environmental, ethical and altruistic activities.

Multiple and Triple Bottom Line Measurement

Considerable discussion and literature have focused on the concern that the measurement of nonfinancial bottom lines or the economic and societal components of triple bottom line accounting lacks consistency, a sound methodology, regulatory oversight and objectivity. Boston College Professor, Sandra Waddock, studied and reported various ways that the multiple bottom lines of corporate responsibility were being utilized to measure the corporate citizenship of companies. Waddock noted the great variation in non-financial measures and reporting. Waddock outlined that companies need to exhibit greater transparency, through improved communication and accountability, to all their stakeholders when reporting their progress and growth areas with respect to their achievements and deficiencies in building and balancing the positive outcomes for societal, environmental, and financial achievements.

Copstake et al. (2005) outlined the inconsistent measures when accounting for the second bottom line, the societal impact of companies. Copstake et al. studied Peru based microfinance institutions that loaned funds to those in poverty in attempt to improve their standard of living. The researchers provided some foundational research that supports the concern that while financial bottom line measurements are standardized and regulated, companies measuring their social performance or their second bottom line lack a methodology to consistently measure and report meaningful results with regard to their social performance. Koura and Talwar (2008) provide some optimism for measuring multiple bottom lines in their study which outlined that the Total Quality Management (TQM) framework and the Universal Business Excellence Model (UBEM) with the Vedic matrix are existing measurements that can be used to assess an entity's propensity to act as good citizens with a strong consideration for society, the environment and profitability. The researchers found that the UBEM Vedic matrix is an effective tool for identifying the values a company practices and measuring their multiple bottom-lines.

RESEARCH AND LITERATURE GAPS ON MULTIPLE BOTTOM LINES

The MBL theory and construct as well as the theory for measuring MBLs are relatively rudimentary at this time, so many research opportunities exist and are necessary. Future research topics on measuring MBLs include:

1. Establishing a consistent construct of a MBL and TBL.
2. Determining how to best measure each bottom line so that it is objective and comparable from one entity to the next.
3. Improving the reliability of MBL/TBL and CSR measures.
4. Determine if different measurements for the same objective should be considered or rejected. IE: Can the CSR measure be independent from company to company?
For example, for socially responsible behavior, the following two proposals were made by separate companies. One company has established that socially responsible behavior, for them, would mean that they paid workers in plants in developing countries a wage higher than the standard for the region and at sufficient levels to be a living wage and to raise workers out of poverty. For a second company in Silicon Valley in the US, socially responsible behavior meant that they encouraged employees to not exceed 10 hours of work in any one day. In the past 15 – 18-hour workdays were the norm, leading to burnout and lack of productivity. If each company tracked their successes and failures with each policy, would this allow the two measures to be comparable between companies?
5. Determine if a total bottom line (compilation of financial, environmental, and societal outcomes) can be calculated and if it is meaningful.

The following provide a list of some of the unanswered or underdeveloped research questions on the MBL theory and the measurement of MBLs. The list is segmented into research to date and future research. In all cases, because the construct is in its evolutionary state, even the research to date topics must be addressed in greater detail.

Research to Date:

These topics have been minimally researched and necessitate further analysis.

1. Definition and conceptualization of the construct of multiple bottom lines (MBL's).
2. For what purposes do organizations use a MBL measurement?
3. What measurement tools and methodologies are firms using to measure their non-financial bottom lines in their MBL computation?
4. Proposed measurement methodology for MBL's.
5. Does computing MBLs that assess a company's financial, societal, and environmental outcomes result in improved financial results?
6. What bottom lines are companies measuring?
7. Is measuring a triple bottom line (financial, societal, and environmental) linked to improved financial performance? In different countries, industries, etc.

Future Research Opportunities (research gaps or minimal research):

1. Measuring the degree of MBL adoption in for profit and NFP organizations.
2. Do for profit and not for profit (NFP) firms measure similar or different bottom lines?
3. What are the factors that drive a manager or organization to use a MBL measurement?
4. Does a manager or organization's propensity for innovation impact their willingness to adopt a MBL measurement system?
5. For what purpose do MBL adopters use the MBL approach for?
6. Does adopting a triple bottom line approach (assigning value to financial, societal and environmental outcomes) result in improvements in each of the areas for adopters?

7. Is the MBL approach a successful approach for measuring alignment of organizational members toward strategic goals and initiatives?
8. Is the MBL approach a successful approach for strategy communication and implementation?
9. Does the MBL measurement show cause and effect relationships?
10. Are the measurements that organizations are using effective in measuring what the entity seeks to measure?
11. Can the MBL construct adopt any best practices from the Balanced Score Card (BSC) theory and methodology for measuring an entity's financial and non-financial performance?
12. Does an organization's MBL measurement effectively measure the organizations success in the areas specified in their MBL?
13. Do organizations that adopt a MBL mindset and the methodology have compromised or improved financial outcomes?
14. Is there a business case for measuring MBLs (Herrmann, 2004)? Can CSR and TBL approaches help companies:
 - ✓ improve risk management,
 - ✓ protect and enhance their reputation and brand equity
 - ✓ build trust with stakeholders
 - ✓ improve resource efficiency and access to capital
 - ✓ address complex and growing regulations
 - ✓ improve relationships with different stakeholders (future employees, customers, business partners, socially responsible investors, regulators, and host communities)
 - ✓ promote innovation and alternative ways of thinking; and
 - ✓ assist with building future market opportunities

This summary of research to date and research opportunities underscores the great need for study and development of the construct of multiple bottom lines and its measurement. The initial requirement is that the construct of multiple bottom lines is in its infancy and inconsistently defined and measured in most comparable studies. Further construct development is crucial to its acceptance as a viable and helpful theoretical and practical paradigm. Secondly, qualitative studies have been diverse and absent of a consistent theoretical research and application framework. Third, the scant amount of research to date contains minimal statistical evaluation and quantitative analysis, which will ultimately be necessary once the construct is further developed and causal and effects relationships need to be examined. Finally, a great gap exists in how multiple bottom lines are evaluated. There is great inconsistency between proposed measurement tools and methodologies. There is also minimal research support that what the researcher is proposing to measure is actually being evaluated.

PROPOSED RESEARCH OVERVIEW AND METHODOLOGY

Measurement of Multiple Bottom Lines

Placing value and measuring bottom lines outside of the financial framework is difficult, inconsistent to date and undeveloped. To date measurement of MBL/TBL or CSR has been vastly different between research studies and companies. For example, in each of the 52 research studies examined by Orlitzky, Schmidt and Rynes (2003) in their meta- analysis that compared different studies of corporate social (CSP) and financial performance (CFP) there were very few measures of CSP used in more than one study.

They were almost all different measures. For CFP measurement, common, standard measures were used consistently, such as net income, return on investment, return on assets and other common financial measures. To emphasize the great variety, the list below outlines just a few of the different measures used to measure CSP in some of the studies:

- ✓ Beresford's Social Involvement
- ✓ Reputational ratings
- ✓ Social responsibility disclosures,

- ✓ Carroll's Concern for Society
- ✓ Pollution control expenditures in Excess market return of ARs (SA/P/O)
- ✓ Ratings of Council On Economic Priorities
- ✓ Criterion validity of CSR1 disclosures (CSR1)
- ✓ Coding of ARs for CSR1
- ✓ CSR1 in ARs, CEP Indexes (
- ✓ CEP Indexes (SA/P/O)
- ✓ KLD scores and Fortune
- ✓ Fortune's rating of 'responsibility to the community
- ✓ Moskowitz reputation index (R) Reputation Survey
- ✓ Voluntary (vs. government ordered) product recall announcements (CSP in the face of adversity) (D)

This analysis looks at several proposed and existing measures for nonfinancial bottom lines and recommends those that show promise for future assessment. The following measurements are possible options for measuring different dimensions for CSR or CSP.

Total Quality Management Measures. The TQM literature and practice has experienced success in helping companies to be forward thinking and adopt methodologies and practices that, while the short term impact on the financial bottom line is not clearly apparent, provide long term improvements for the company overall. Some studies have shown that TQM can also be directly linked to improved financial outcomes. The TQM theoretical framework has some carry over to the triple bottom line analysis and measurement. TQM outlines that companies should put in place best practices that don't necessarily have a clear link to profitability, but improve the company overall, which ultimately improves financial outcomes. TQM advocates also share the belief that the triple bottom line advocates argue. That is the belief that sometimes a company needs to adopt a strategy or methodology simply because it is the right thing to do and not necessarily because measurable financial outcomes are guaranteed. There are two benefits of using some of the TQM measures to measure a company's corporate citizenship and values with regard to society and the environment. First, the TQM movement and construct is established and considered viable and valuable by many companies. Second, studies have already outlined how TQM tools such as the universal business excellence model (UBEM) and the Vedic matrix can be used to assess an entity's propensity to adopt corporate values that acknowledge and provide a decision framework that considers the company's impact on society, the environment as well as financial considerations (Koura & Talwar, 2008). Adopting TQM measurements for corporate citizenship, sustainability and values is has strong potential.

ISO Certification Audits. Similar to the benefits of TQM (proven measurements in place) the ISO certification audits have measures that look at an entity's corporate responsibility, citizenship and sustainability. Multiple bottom line theorists would be well served to study and assess if ISO measurements may be useful in assessing and measuring an entity's nonfinancial bottom lines.

Reputation and Responsibility Audits. Sandra Waddock outlines that there are already multiple external sources measuring and reporting the corporate citizenship of companies (Waddock, 2002). Waddock outlines that investment houses, investor activist and other external organizations that have evaluation mechanism already in place to assess a company's socially responsible investment practices. Researching these assessments is a potential source of measurement for the social bottom line.

Variation reports and in-depth interviews. Copestake, Dawson, Fanning, McKay & Wright-Revollo (2005) studied microfinance institutions and assessed how they were reporting their contributions to societal concerns, namely poverty. The study reports that their findings revealed that measuring social performance can be accomplished by two measurements. They recommended looking at the variation in constituents served when looking at poverty outreach activities. When assessing the impact a micro-institution is having over time, in-depth interview should be employed. The study underscores the great need for study and development of measurement and reporting mechanisms to effectively evaluate multiple bottom lines.

Handling Multiple Dimensions

Author, Graham Hubbard (2009) outlines that measuring organizational performance is difficult especially when what is to be measured continually is changing. There seems to be no census on common reporting frameworks and existing reporting frameworks continue to increase in complexity. After considerable review of measurements to date, this study recommends categorizing non-financial measures for CSR or CSP into five categories. These include:

TABLE 1
MEASUREMENT OF CORPORATE SOCIAL RESPONSIBILITY CATEGORIES

<i>Corporate Social Responsibility Category</i>	Measurement
1. CSP disclosures: Evaluation of a companies corporate social responsibility disclosures in the financial statements and other documents.	Content analysis of <ul style="list-style-type: none"> ✓ annual reports, letters to shareholders, 10Ks, and a number of other corporate disclosures to the public as surrogates of CSP. ✓ Content analysis compares text in the above and other documents to compare text against CSP themes in order to draw inferences and conclusions about the organization's underlying social performance (Wolfe1991).
2. CSP reputation ratings: Examination of CSP reputation ratings.	<ul style="list-style-type: none"> ✓ Examination of CSP reputation ratings and indices (Moskowitz's; 1972, 1975) tripartite ratings ('outstanding', 'honorable mention', and 'worst' companies; for example) ✓ <i>Fortune</i> magazine ratings of a corporation's responsibility to the community and ✓ Researcher indexes (Alexander and Buchholz 1978; Heinze 1976; Vance 1975) developed to assess reputation of business professionals
3. Social audits: Examination of internal or externally performed social audits looking at CSP processes, and observable outcomes.	Social audits completed by third-parties effort to assess a firm's 'objectives as compared to outcomes on CSP/CSR
4. Managerial CSP principles and values: Examination of CSP principles and values identified by management and determining the level of adherence.	Managerial audits completed internally to assess a firm's 'objectives as compared to outcomes on CSP/CSR
5. Alignment with CSR or CSP strategic	Internal reviews that assess how well a firm's

initiatives: Examine how consistent a company is at achieving their strategic initiatives with regard to CSR/CSP.	strategic initiatives on CSR/CSP are being completed.
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Conceptual /Theoretical Research Proposal:

A theoretical framework is a collection of concepts that is inter-related but not necessarily clearly outlined and defined in a definitive fashion and therefore needs further development.

When theories or construct are in the evolutionary/foundational stages a theoretical framework is needed. In the case of MBL measurement, there are many concepts, theories and proposed definitions. Creswell (2003) outlines that qualitative methods and specifically a grounded theory approach is the appropriate strategy for developing a definitive construct of MBL and the non financial pieces of corporate social responsibility.

Qualitative, Grounded Data Analysis Procedures for Establishing and Testing Theories

- 1) identify and code distinct categories of meaning in the data.
- 2) move from a descriptive to a conceptual level of analysis
 - achieved by synthesizing a number of the open coded variables into one of a number of selective or conceptual codes.
 - process aided in the grounded theory approach (ie: ongoing process of theorizing about the relationships between variables, which take place as the analyst is coding the data)
 - as relationships were hypothesized, the researcher should generate a series of theoretical memos, which in aggregate will be used to distil a series of conceptual codes from the initial open codes.
 - the process should be iterative and ongoing
 - use qualitative software to analyze data and produced meta-codes
 - continually modified the theoretical categories until saturated by the accumulation of evidence until they themselves formed the foundation on which to base further research.
 - use an iterative process of "sorting" until a robust pattern of relationships emerges from the evidence. Models may take months of research, processing and sorting.

The grounded theory approach works well if you are starting with a diverse collection of data that must be processed and refined into a substantive theory and model to be tested and used going forward. Despite years of research, the MBL construct and measurement constructs are still in the evolutionary state and warrant additional theoretical and qualitative analysis.

Empirical Analysis

Empirical analysis should be used once the foundational constructs for defining and measuring MBL’s are established. Quantitative methods are best suited for empirical testing once the initial theory and constructs are in place. Quantitative Methods are best executed by developing and following a quantitative research plan. A qualitative research plan should include:

Introduction

Statement of the Problem

Purpose and Objectives of the Study

Scope and Limitation

Literature Review

Research Questions and Hypotheses The Theoretical Model

Research Method and Design

Sample

Variables

Measures

Data Collection Procedures Data
Analysis Procedures Proposed
Future Research
Conclusion

Application and Conclusion

In theory the concept of TBL and MBL reporting has tremendous potential to be very valuable and beneficial to both society as well as individual businesses. Orlitzky, Schmidt and Rynes (2003) contend that CSP is correlated to improved CFP, which suggests that if the measurements for CSR (environmental and societal) could be standardized and companies were encouraged to continue to improve in the area of social and environmental responsibility, improved societal, environmental and potentially financial performance could be the outcome. CSR/MBL/CSP theorists argue that if companies can develop long-term, mutually beneficial relationships with all of their stakeholders their sustainability improves and as they produce true and sustainable values for the business ecosystem as a whole.

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