Resources and Capabilities of Triple Bottom Line Firms: Going Over Old or Breaking New Ground?

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Article reports on a research study

Article includes references to previous research

Abstract Supported by a qualitative study of triple bottom line (TBL) firms—those that simultaneously prioritize economic, social, and environmental objectives—we investigated the market logic and practices of TBL firms to better understand how they fulfill their mission and achieve their goals. We explored if and how TBL firms may differ in their approach to stakeholders and the management of their resources and capabilities. We employed a comparison with scholarly literature [i.e., resource-based view (RBV)] to develop new theoretical insights. Because the RBV is commonly used to theorize how firms achieve competitive advantage, we explored whether TBL firms achieve competitive advantage differently from what RBV theory would predict. Our data suggest that how a firm defines value has a significant influence on the capabilities it creates and how it treats its resources. We find that TBL firms redefine value to not only focus on the end product or service but also to include the systemic cost of delivering goods. As a result, TBL firms differ from prevailing scholarly thought in RBV. They strive to have resources that are sustainable and therefore imitable, commonly found, and substitutable. Moreover, they are not only transparent in their processes but also collaborate with others in the value chain and in their sector. In doing so, they deliberately create new markets from which other firms can benefit. Rather than focusing on competitive advantage, they focus on collaborative advantage.

Keywords Resource-based view · Corporate social responsibility · Triple bottom line · Sustainability · Social entrepreneurship

Introduction

The debate on whether the corporate sector should address social and environmental concerns is a long-standing one (e.g., Berle 1931; Dodd 1932). However, as the scholarly debate continues, so does the debate over what is the best course of action for corporations to follow. Some argue that it is the responsibility of the government to address these issues, while others believe that corporations should take on this role. This article seeks to address this debate by exploring the role of triple bottom line (TBL) firms. TBL firms are defined as those that simultaneously prioritize economic, social, and environmental objectives. The study of TBL firms is important because it can provide insights into how these firms are able to achieve competitive advantage.

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