Grounded Suggestions for Doing a Grounded Theory Business Research

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Abstract: This paper provides suggestions of doing a grounded theory business research. The main intention is to provide guidelines and suggestions for novice researchers, students and their supervisors in conducting a grounded theory business research. The main discussion of this paper will focus on the principles driving a grounded theory research, the choice between the two versions of grounded theory, the research problem, the purpose of the study, the research questions, and the place of literature review in a grounded theory study. In addition, an example of how a grounded theory was induced from data is illustrated. Its purpose is to illustrate how the procedures of data analysis, theoretical memoing and theoretical sampling were used to progressively to generate a grounded theory. In conclusion, the specific skills required by the researchers attempting a grounded theory study are suggested.

Keywords: grounded theory, supervision, research

1. Introduction

Grounded theory is a systematic, inductive approach to developing theory to help understand complex social processes (Glaser 1978). The goal is to develop a substantive theory from data that is collected in natural settings. Grounded theorists support the view that each group experiences a basic social psychological problem not usually made explicit or articulated by the group (Wilson & Hutchinson 1991). By developing theory, the researcher sought to understand the problem situation experienced by a group of participants and how they dealt with this problem (Glaser 1992, 1998). Grounded theory is well-established, widely recognized, credible and rigorous methodology (Glaser 2001) used in business research (such as Burchill & Fine 1997; Lang 1996; Ng 2005a, 2005b, 2005c; Schroeder & Congden 1995). Martin and Turner (1986) advocate that grounded theory is proficient to examine complexities due to its ability to generate a comprehensive account of organizational action in context. In a similar vein, Locke (2001, p.95) argues grounded theory is "particularly appropriate to researching managerial… behavior" as it captures the complexity of the managerial process.

The intent of grounded theory, as explained by Creswell (1998) and Dick (2002) was to generate theory close to data that relates to a particular situation. The insights that grounded theory reveals is the contextual explanations rather than descriptions what is going on. Therefore it provides a theoretical lens for both researchers and practitioners to improve workplace practices. The main purpose of this paper is intended to provide suggestions required for novice researchers, students and their supervisors in conducting a grounded theory research.

Enthusiastic novice researchers are encouraged to examine intuitively the intricacies before embarking on a grounded theory study. While grounded theory provides a systematic procedure for inducing theory, Glaser (2003, p.62) recognizes that novice researchers must have an ability "to conceptualize, to organize, to tolerate confusion with some incident depression, to make abstract connections, to remain open, to be a bit visual, to thinking multivariately and most of all to trust to preconscious processing and to emergence."

Prior experience working on researches (Ng 2005a, 2005b, 2005c) aroused a need to thoroughly study the methodology. Understanding improved mentoring doctoral students, presenting grounded theory seminars to colleagues struggling to better this challenging methodology and teaching and supervising masters' students using grounded theory for research projects. While students of extensive grounded theory studies typically set out to discover theory, the systematic procedures and techniques also provides a practical framework for smaller studies where theory will not be generated. As such, the grounded theory methodology is worth considering for examining managerial phenomena, what Locke (2001, p.95) labels as linking well with practice. Partington (2000) echoes a similar sentiment by contending that the grounded theory approach has practical value to practitioners in assisting them to better read and manage their setup.

2. The guiding principles of grounded theory

In commencing any study, considerations of methodological principles is essential. Grounded theory has a set of established principles for conducting research and interpreting data. These guidelines will offer a

sense of security when delving into the unknown area that became the research. Sarantakos (1998) further iterates the strict adherence of these principles to maintain the integrity and methodological rigour of grounded theory. The systematic data collection of note taking, coding, memoing, sorting and writing allowed categories to emerge. These categories allowed the interpretation of variations in behaviour. Grounded theory is thus able to account for variation in behaviour in the action scene with as few categories and properties as possible (Glaser 1992). In the sections that follow, the fundamental principles that govern the use of Glaser's grounded theory are outlined.

2.1 Theory emergence from data

According to Chenitz and Swanson (1986, p. 3), the objective of generating theory is to further our understanding of "*basic human patterns common in social life*". This objective of theory generation implies a focus not just on description but also rather on analysis and conceptualisation. Therefore there is an implication about how the researcher analyses data and conceptualises theory. As such, the interpretation of the data is an iterative process linked to the researcher's own worldviews. However, in acknowledging the intimate relationship between the researcher and the analysis of the data, the principle is to let the theory emerge from the data as part of the research process, rather than being preconceived or forced onto the data.

Grounded theory is not preconceived theory or a priori theory. It is theory grounded in data that is methodically acquired during the course of the research (Glaser & Strauss 1967). To add on, Glaser and Strauss (1967, p. 32) point out that grounded theory is capable of generating two major types of theory, "*substantive*" and "*formal*". According to them, substantive theories are developed from work in a specific area and do not endeavor explanations outside the existing area of inquiry. On the other hand, a formal theory has explanatory power across a range of situations. In short, these two types of theory are differentiated by the degree of generalisability. In Glaser and Strauss's opinion, substantive theories are used as "*a springboard or stepping stone to the development of a grounded formal theory*" (Glaser & Strauss 1967, p. 79).

2.2 The need to avoid preconceptions

As theory was to be 'discovered from the data', the main point here was to avoid 'preconceived' ideas. In grounded theory, Glaser and Strauss stress that "*initial decisions are not based on a preconceived theoretical framework*" (Glaser & Strauss 1967, p. 45). In other words, grounded theory requires a researcher to approach the problem situation with an open mind and allow the evidence accumulated to dictate the 'emerging' theoretical agenda. Although it is commonly thought that grounded theory requires the researcher to enter the problem situation with limited knowledge (Goulding 2002), this is not what Glaser and Strauss intended. No researcher would enter the field with a totally blank sheet but rather would have their own disciplinary trainings that provide perspectives from which to investigate the problem. These bodies of knowledge provide theoretical sensitivity that support understanding of data collected during the research process (Glaser 1978). Thus, the importance to avoid preconceptions and to be open mindedness enables the researcher to be "*theoretically sensitive so that he can conceptualise and formulate a theory as it emerges from the data*" (Glaser & Strauss 1967, p. 46).

2.3 The need to be theoretically sensitised

In the context of Glaser's approach to grounded theory, theoretical sensitivity refers to the conceptual ability of the researcher to recognize the patterns of behaviour discovered in data (Glaser 1992; Glaser & Strauss 1967). They emphasize that "*the root sources of all significant theorising is the sensitive insights of the observer himself*" (Glaser & Strauss 1967, p. 252). Glaser (1978, p. 1) further underscores the importance that researchers using grounded theory methodology need to develop the necessary theoretical sensitivity to discover "*substantive, grounded categories.*" This is a necessary prerequisite in the process of transcending from description to conceptual theory (Guthrie 2000).

As point out by Locke (2001), the grounded theorist's ability to apprehend their data depends on their disciplinary training, personal experiences and experiences of others. These sources of theoretical sensitivity orient researchers and provide a perspective for theoretical insights. Further advice from Goulding (2002) is that the novice researcher should also read for ideas and conceptually link these to the developing theory to enhance theoretical sensitivity.

2.4 The constant comparative method of data analysis

In addition, the process of data analysis in this study relied on the constant comparison method. This involves comparing like with like to look for emerging themes and patterns. According to Spiggle (1994), constant comparison explores similarities and differences within the data collected and offer a guide for collecting other data. Incidents are compared with incidents, incident with category, and category with category to generate concepts (Glaser 2001). By constant comparison analysis, the basic properties of each category are defined, the relationships between the categories are identified and the identification of patterns is facilitated (Glaser 2001). This process of constant comparison continues until the core category, that which accounts for most of the variation in the patterns of behaviour is identified. The discovery of the core category is critical in Glaser's method because it is the category around which the emergent theory will revolve (Glaser 2001; Goulding 2002). This represented the fundamental method of data analysis throughout a grounded theory study.

2.5 An iterative research progression

Embedded within the principles of constant comparison and theoretical sampling of data analysis, is that iteration is a feature of the approach (Glaser & Strauss 1967; Locke 2001). The researcher who adopts a grounded theory approach, does not follow a linear path of research progression. The process of coding and analysis are in operation throughout the research process. Glaser and Strauss (1967) describe the research process as constantly moving back and forth from data collection to analysis, from open coding to theoretical coding and back to data collection and so on. This is an essential principle of grounded theory; it is "*self-consciously and intentionally non-linear and iterative*" (Martin & Turner 1986, p. 150).

3. Which version of grounded theory – Glaser or Strauss?

At the beginning of a grounded theory study, it is worthwhile to review the underlying methodological assumptions critical to the study. Researchers are now compelled to state the grounded theory approach they adopt due to the intellectual and methodological differences of the two original authors of grounded theory (Wilson & Hutchinson 1996). The division was largely the result of Strauss and Corbin's 1990 publication of "*Qualitative Research: Grounded Theory, Procedures and Techniques*". The main difference between the original "*Discovery of Grounded Theory*" (Glaser & Strauss 1967) with Glaser's (1978) *Theoretical Sensitivity* and Strauss and Corbin's (1990) "*The Basics of Qualitative Research*" illustrates the divergent distinctions between the two authors since their first writing. Not only are there dissimilarities in approach and the use of terminologies, Strauss' (1990) version of the method have been altered to embrace a regimental and convoluted method of systematic coding. Glaser's response to these developments was vociferously accounted in the publication of "*The Basics of Qualitative Research*" (Glaser 1992) and referred to these changes as "*non scholarly*" (p. 123). The first two pages of that publication detailed implorations from Glaser to Strauss to rescind his text version on grounds that what it contained was a methodology but it was not grounded theory. The main argument was that it disregarded 90 percent of the original version and began a detailed analysis of the differences between their version and what has become widely labelled in the literature as Glaserian grounded theory (Andriopoulos & Gotsi 2001; Andriopoulos & Lowe 2000; Brooks 1998; Stern 1994; Walton & Molzahan 2002). This latter form of grounded theory rigorously follows the principles described in the original 1967 work of Glaser and Strauss and given further detail by Glaser (1978, 1992, 1998, 2001).

The major differences between the two versions of grounded theory relate mainly to the coding paradigms each adopts. The crux of the dichotomy is that Strauss, as he analyses the data, stops at each word to ask 'What if?' Glaser maintains attention on the data and asks, '*What do we have here?*' (Stern 1994, p. 220). Strauss brings to bear each likely incident that could relate to the data, whether it emerges from the data or not (Strauss & Corbin 1998, p. 77). Glaser focuses his attention on the data to allow the data to tell their own story. Glaser argues his approach is interpretive, contextual and emergent whilst that of Strauss and Corbin is more likely to lead to the forcing of perceived notions on the data. Strauss and Corbin (1990) also emphasised highly complex and systematic coding techniques by listing all possible meanings from data. This overemphasis on the mechanics of research has been criticised for reducing the degree of theoretical sensitivity and insightful meaning (Glaser 1992). Yet another coding difference lies in the use of the "*conditional matrix*", a "*device to stimulate analysts' thinking about the relationships between macro and micro conditions/consequences*" (Strauss & Corbin 1998, p. 181). Glaser objects to this device on the basis that it leads to an over reliance on a narrow family of codes and therefore is a less emergent process in comparison. Given the clear differences between classical grounded theory and the Strauss and Corbin's

version, novice researchers will have the arduous task of selecting one that could be appropriate for their study.

4. The research problem or the main concern?

In any grounded theory study, it begins with a research situation. What distinguishes grounded theory with other methodologies is that it is explicitly emergent i.e. it does not set out to test a hypothesis (Dick 2002). The general focus of the research is to discover the main concerns about what is happening in the research situation and build theory from the ground (Moghaddam 2006). While initial ideas may be fuzzy, the approach is data driven and enables explanations on the phenomenon under study. It sets out to find out what theory accounts for the research situation (Dick 2002). The main concerns of participants may simply be issues or dilemmas, or how they went about resolving their main concerns (Glaser 1992, 2001). This resolution is the prime mover and interaction of the study. Whatever the interests may be, the study is exploratory and aims to seek out the research situation as it is. This means that the problems are difficult to identify given the multi-complex issues prevalent in the research area. For example, in Ng's (2005a) study of business collaboration in the context of heavy-industry equipment manufacturers where managers of businesses were juggling common interests of parties involved, meeting corporate deadlines and making decisions that might influence career prospects amidst a changing environment. What was the main concern? Variable attributing to the phenomena examined were multifaceted. Anecdotal literature accounts of business relationships and collaborations (such as Huxham 1996; Batt & Purchase 2004; Mudambi & Aggarwal 2003; Spina & Zotteri 2000; Stiles 2001) elevating sensitivity and making the researcher apprehensive about issues that aided unsubstantiated presumptions. Nonetheless, the research problem should be stated clearly, supported by some general literature.

5. What is the purpose of the study?

The intent of grounded theorists is the discovery of underlying behavioral patterns that are contextual to the research situation. It sets out to provide insightful meanings that fit the research context where the purpose is to develop a substantive theory about the area of inquiry (Glaser 1998; Glaser 2003). However, it is noteworthy that grounded theory has varying research purposes depending on the size and nature of the research study. Not every grounded theory study will begin with an objective of generating a substantive theory. While Glaser (1998) iterates that grounded theory is a package, many researchers chose to use the grounded theory techniques such as constant comparative analysis to jump-start a qualitative piece of work (such as Tay 2003; Goh 2004; Vasudeva 2005).

Whatever the reasons may be, Creswell (1998) suggests that the purpose statement is essential to provide a clear road map of the study. Ng (2008) suggests that purpose should be straightforward and immediately capture the attention and interest of the readers. It should draw on words such as 'generate', 'develop' or 'process' that encapsulates the central focus of the study. It is useful to determine the scope of the study to separate it from similar studies already undertaken in terms of period studied, personnel consulted or to be consulted, functions or departments of interest, geographical areas covered, particular initiatives to be made.

6. What is the research question?

Given the complex nature of the research situation, it is not unusual that grounded theorists find difficult to locate the research question. The questions are typically kept general, flexible and open; with what is happening here? (Dick 2002). Glaser (1998) recommends that the researchers may ask what the main concern is and how is that concern continually resolved or managed? For example, Ng (2005a) asked 'What are the main concerns that confront key decision makers working at the interface between Principal and Distributor firms and how can these resolutions be managed to assist practitioners enhance the success of a Principal-Distributor relationships?'

The main issue in writing the research question in a grounded theory study is the need to be explicit about the research questions early on in the study. Typically in preparing for submissions to the research review committees either for dissertation work or when applying for grants, there is a need to convince that committee that the researcher is capable of undertaking the intended research project (Kilbourn 2006). However given the nature of a grounded theory study is typically data driven and therefore emergent, the research questions may be evasive early on in the study. Dey (1999) suggests that novice researchers begin with a general subject or problem conceived only in terms of the disciplinary perspective as a starting point. In the case of Ng (2005a), the adoption of the causal model as suggested by Glaser (1978) was adopted to write supporting interviewing questions. General questions related to the context were used as a guide; for

example Tell me your experience working as the distributor for this organization? How would you suggest this organization improve the relationship? What would you like to see more of in the relationship?

7. The place of literature in a grounded theory study?

In a grounded theory study, the literature review has the specific purpose of minimizing literature distortion of emergent categories (Glaser, 2001). Hence this should be concise. By restricting the literature, there is a reduced likelihood that the data will be manipulated to support existing theory and findings (Glaser & Strauss 1967; Strauss & Corbin 1990). However there is not universal agreement amongst grounded theorists about the extent and depth of the initial literature search. Others suggest the importance of making explorations of the literature, in order to identify knowledge gaps or aspects of the area of interest that warrants further study. For example, Schreiber and Stern (2001, p. 58) suggested "plunging into the field research without delving into the relevant literature would be folly". Indeed, no one would claim to enter the field completely free from the influence of past experience and reading. The focus is the use of data as yet another source of data in according to what Glaser (1998 p. 8) calls 'all is data'.

In researching principal-distributor relationships, Ng (2005a) have taken a pragmatic approach by reporting readings that set the boundaries for the research questions and analysis of findings, rather than providing a complete summative analysis at this stage. The literature review on principal-distributor relationships was completed once data collection was finished and the core category identified. Literature was used to interpret data collected and subsequently assimilated into the study as deemed fit. The crux is to continuously staying open for underlying issues that may provide disconfirming evidence to existing data. Indeed literature reviews provide another avenue for more questioning for further idea generation.

8. What is the sample size required?

A fundamental principle of Glaser's approach to grounded theory is that the emerging theory itself should determine who next to talk to or where to go for information. Thus letting the data determine the next set of questions to be asked. Glaser and Strauss (1967, p. 45) labelled this process as "*theoretical sampling*". The basic question in theoretical sampling is "*What groups or subgroups does one turn to next… and for what purpose?*" (Glaser & Strauss 1967, p. 47). With theoretical sampling, initial decisions about what data to collect are based on the research topic or problem under investigation. In short, the important principle is that the emerging theory governs the process of data collection (Glaser 1992, p. 101).

One of the main benefits of theoretical sampling is it allows for flexibility in the research process. It provides the researcher the opportunity to change the emphasis early on so that data gathered are a reflection of what is occurring in the field rather than speculation about what is observed (Coyle 1997; Glaser 1978; Strauss & Corbin 1990). A researcher who uses the principle of theoretical sampling cannot know in advance what to sample for and where it will lead (Coyle 1997; Glaser 1992). Samples are chosen as and when they are needed rather than before the research. Only when no new patterns, or possible categories, emerging from the data could be found, a point labelled as "*theoretical saturation*" (Glaser 1992, p. 102; Glaser & Strauss 1967, p. 61), is the process of theoretical sampling ceased and sample size completed.

9. Data analysis methods – the emergent theory

A primary principle of grounded theory generation is that data is analyzed using the constant comparative method. The basic intent of the constant comparative method of analysis in grounded theory is the identification of a core category as a key part of the process. Glaser (1978, p. 93) asserts that "*the generation of theory occurs around a core category*" and represents the main theme of the substantive area of inquiry. So the core category captures the main concerns of participants in a study and accounts for most variation in a pattern of behaviour. It explains, "*what is going on in the data*" (Glaser, 1978, p. 94) and becomes the basis for the emerging substantive theory. The core category is identified through an iterative process of coding, memoing, theoretical sampling and theoretical sorting.

9.1 Coding the data

Coding is the process of breaking down data into distinct units of meaning for analysis and thereafter systematically re-evaluating them for their inter-relationships enabling the researcher to move the data to a higher level of abstraction (Descombe, 1998; Goulding, 2002; Martin & Turner, 1986). It is aimed at identifying as many tentative categories and their properties as possible. The researcher examines words,

phrases, sentences and paragraphs of field notes, and then compares with other indicators in the data which display similarities or differences (Glaser & Strauss, 1967; Strauss & Corbin, 1990).

Categories and their properties were identified using a coding process suggested by Glaser (1978) that involves 'open coding', 'selective coding' and 'theoretical coding'. This coding process used by many grounded theorists (e.g. Andriopoulous, 2000; Andriopoulous & Lowe, 2000; Guthrie, 2000; McCallin, 1999 and Parry, 1997) is capable of systematically generating the higher levels of abstraction required for an integrated, parsimonious grounded theory.

9.2 Open coding

Open coding, as suggested by Glaser (1978, 1992) and Strauss and Corbin (1990), is the first step of a theoretical analysis towards the discovery of categories and their properties. It is done to highlight data that the researcher believes may have an importance beyond the simple description of the context of the data (Lowe, 1996). Although the open codes presented above were descriptive, they set the initial stage to move conceptualisation to a higher level. This was achieved by the constant comparison method described earlier by comparing code-to-code, incident-to-incident looking for similarities and differences. Further details of how this open coding was done was applied is illustrated in Appendix A.

Glaser (1992, p.51) argues that at this stage of open coding, the researcher should compare all codes by asking key questions of the data:

▪ What is this data a study of?
▪ What category or property does the incident indicate?
▪ What is the basic process that "processes the main problem that makes life viable in the action scene"?

Through the process of constantly questioning that the identification of categories occurs during open coding and the process moving beyond description to conceptualization begins. It is imperative that the researcher combines the open coding process with theoretical memo writings that record emerging categories. Details regarding the use of theoretical memos are discussed in later section.

9.3 Selective coding

As analysis proceeded, understanding deepened and some characteristics will be merged together. A time will come when the researcher will cease open coding and begin to selectively code for a core category (Glaser, 1978). The identification of the core category at this stage acts to delimit coding "to only those variables that relate to the core category in sufficiently significant ways to be used in a parsimonious theory" (Glaser, 1978, p.61). In short, during selective coding the researcher will begin to code in relation to the core category. This in turn means that theoretical memos become focused on aspects of the core category, and theoretical sampling becomes guided by these aspects of the core category.

It is not unusual that once the basic category is discovered, participants will be asked specific questions to further saturate the category. These questions to seek out disconfirming evidence have led to the researcher staying in the field longer by visiting other sites.

9.4 Theoretical coding

According to Glaser (1978, p. 72), theoretical codes "conceptualise how the substantive codes may relate to each other as hypotheses to be integrated into a theory. They, like the substantive codes, are emergent; they weave the fractured story back together again… Theoretical codes give integrative scope, broad pictures and a new perspective". In other words, theoretical coding generates meaning and scope to the theory that is emergent and involves conceptualizing the relationship between categories. He further states that researchers must be sensitive to "the myriad of implicit integrative possibilities in the data" and accordingly sets out a range of "18 coding families" of theoretical codes to assist in the process of theoretical coding (Glaser, 1978, p. 73). Accordingly, these coding families sensitize the researcher to the array of behavioural patterns by which they may weave their data back together into a parsimonious grounded theory. Glaser further stresses that whichever coding family is adopted during the process of theoretical coding, it is vital to allow the data to determine which coding family best fits the data. Details on how the inductive theoretical coding process was applied are contained in Appendix A.

9.5 Theoretical memos

Memos are the written notes or records of analysis related to the development of the theory (Chenitz & Swanson, 1986). Memos are vital as they provide a bank of ideas that map the emerging theory and are used to identify categories and their properties. Glaser (1978) suggests that memos are a core stage in the process, and without using them theoretically to write up an idea, the researcher is not in fact doing grounded theory. Haslam (2002) describes memos as the building blocks of theory development in the grounded theory process. Goulding (2002, p. 65) further mentions that memos are used as "*part of the process of abstraction, and therefore, when writing memos, ideas should be expressed in conceptual terms, not necessarily in people terms*". Memos are also used to continuously increase the level of abstraction, enabling the researcher to systematically move from description to conceptualisation of the main concern of participants with the discovery of the core category. This process of moving from description to conceptualisation further requires the integration of theoretical concepts into a conceptually complex integrated theory (Spiggle, 1994). In addition, memos are used to illuminate the research process by allowing the researcher to reflect on their experiences in both an analytical and personal sense (Norton, 1999). Martin and Turner (1985) recommend that the researcher should try to perceive themes and then write a theoretical memo in a free-flowing manner. The goal is to represent conceptually what the data reflect empirically in a systematic manner.

Another key aspect of grounded theory is that of theoretical sorting, which is a conceptual act designed to integrate categories together as well as their relation to the emergent category (Glaser, 1978). In other words, it involves sorting memos into batches and linking them to create a theoretical outline that explains most of the behavioural variation evident in the data. The next section looks at the nature of theoretical sorting in order to clarify this fundamental feature of grounded theory.

9.6 Theoretical sorting

Glaser (1992) points out that theoretical sorting is the key to formulating the theory. It is the act of arranging a huge pile of memos into an integrated theory, what Glaser labels as the epitome of the theory generation process (Glaser, 1998). As the research headed toward theoretical saturation and the emergence of a core category, theoretical memos were sorted by similarities, connections and conceptual orderings (Glaser, 1978). This became the theory outline, an outline that Glaser (Glaser, 1978, p. 120) labelled a "*parsimonious set of integrated concepts*".

The central theme of any grounded theory methodology is that the pattern by which how categories relate to one another should emerged from data. In other words, it is not preconceived. My preference for theoretical sorting is to lay out all theoretical memos on the floor and ask questions relating to the notion of process. Over time, how concepts were linked to each other became clear. This became the basis for writing up the study. In the next section, pre-requisite skills required by researcher are described.

10. Skills required to do a grounded theory study

According to Stern (1994), grounded theory is described as half art and half science and as such it is sometimes difficult to fully describe the procedures of grounded theory to novice researchers. Glaser (2001, 1998) recognizes that a novice researcher may experience this difficulty if supervised by others who themselves do not have a good understanding of this methodology. Accordingly it is a methodology that can only be learned, as Glaser (1998, p.19; 2003, p. 92) puts it "*just do it*". Previous encounters supervising novice researchers at postgraduate and doctoral levels indicated that the results are typically affirmative when the researchers were able to cope with the following challenges:

10.1 Understanding the intricateness of grounded theory procedures

One of the primary concerns of research committees is the ability of the research candidate to complete the study successfully. While Glaser (2001, p. 119) suggests that Grounded Theory enables a "know-nothing to an expert and that takes the GT researcher from the very beginning of data collection, coding and analysis through many steps to a publication", the need for researchers to adhere rigorously to the systematic procedures of the method is antecedent . Novice researchers should therefore read in-depth the methodological know-how of Grounded theory prior to a journey of emergence.

10.2 Staying relevant to latent patterns

One of the greatest challenges is determining the level of conceptualization needed. Glaser (2001) is clear on the fact that classical grounded theory is about conceptualization rather than description. However, an issue that is yet to receive the attention it deserves is the depth of conceptualization expected in a grounded theory study. A review of recent classical grounded theory PhD theses (e.g. Ng 2005a; Andriopoulos 2000; Guthrie 2000; McCallin 1999a, Brooks 1998) shows considerable variation in the level of conceptualization they contain. Therefore the ability to recognize pattern is primal to conceptualization. This requires the researcher to be sensitive to data emergence by constantly comparing data to data and incident to incident.

10.3 Pacing the research

The other challenge that the novice grounded theorists would face is what Glaser (1978) terms as pacing. Far too often academic researchers are hard pressed to meet deadlines with short lead time. Generating grounded theory takes time and is a delayed action phenomenon (Glaser 1986). This delayed phenomenon may lead to emotional boredom and seemingly getting nowhere (as in Lofland 1996), thus giving it up altogether in view of other preconceiving research methodologies (Glaser 1998). In short, these researchers short-changed themselves by not allowing the GT methodology to yield the desired results. Accordingly, the researcher must learn to be pace his patience, and not just his patient, accepting nothing until something happens.

10.4 Ending the data collection process early

The last challenge facing the researcher using grounded theory methodology is early closure of the data collection process. According to Glaser and Strauss (1967, p. 67) "*theoretical saturation*" is the criterion used to judge when to stop collecting data. In addition, Strauss and Corbin (1990) state that theoretical saturation can occur at three junctures in the research. Firstly, when no new data reveals new categories; secondly, when each category is richly and densely described and all of its properties have been revealed; and thirdly, when the relationships between categories are well established and validated by data. It is therefore suggested that researcher avoid premature closure by looking out for the point of diminishing returns where the data add nothing to what the researcher already knows about a category, properties and its relationship to the core category (Dick 2002).

11. A final suggestion

In this paper, suggestions required for research using the grounded theory methodology study have been presented. While Glaser (1998) iterates that researchers should stop talking about grounded theory and start doing it, it is usual that researchers need to be familiar with the intricacies of the methodology. The novice researcher is therefore advised to adhere to the principles of constant comparison, theoretical sampling and emergence; the research outcome can be both rewarding and stimulating for those who persevere. Theory will emerge not only from the grappling of analytical perceptions but also the way in which participants' resolve their main concern. It is critical that students and supervisors consider cautiously the germane skill sets of the novice researcher prior to the use of the methodology. The guidelines provided here would serve as a stepping stone to a journey of lifelong learning.

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Appendix A – Applying the principles of Grounded Theory

Introduction

The purpose of this appendix is to provide the reader with an explanation of how grounded theory was induced from the data. This section is not intended to provide lengthy demonstration of how the theory was induced. Its purpose is to illustrate how the procedures of data analysis, theoretical memoing and theoretical sampling were used to progressively to generate a grounded theory. This section will begin by illustrating how data was analysed using Glaser's coding paradigm of open, selective and theoretical codes. Following this is a discussion of how theoretical memoing was used in conjunction with coding to facilitate in the generation of the core category.

In order to avoid and forestall early judgements, I have followed Glaser's (1978, p. 134) recommendations by stating the method with "*an example of how one went about grounding a code and an hypothesis*". In the sections that follow, a series of short extracts from early interviews are outlined to illustrate how the category of 'engaging exclusivity' was induced from raw data. There was no particular reason for the choice of this category as the generation of all other categories followed the same systematic process. Names were replaced with pseudonyms and their company identified by acronyms to maintain their confidentiality.

Open Coding

Interview with Luke – SR1, HRR (160899)

HRR is one of the four leading crane manufacturers in Singapore. Luke, director and manager of operations, is discussing the possibilities of distributing KI products.

> *Luke: You know that we have been representing Montel electric wire rope hoists, Goltsmith electric chain hoists, Steinert mobile electrification systems and Tonato radio control pendant stations for many years now. We are interested in products that could be integrated into our current systems.*

> *Ng: Can you tell me about your requirements for taking on KI products?*

> *Luke: Obviously, pricing is one of the most important factors. To survive in today's environment, the Principal must do more in order to enable us to compete. For us to be able to compete in the market, one of the strategies is to look at our cost and availability of our products. We are prepared to make initial investments in marketing and stocks. However, we want to have control of the market and marketing of the products in the long haul. This includes the servicing of products and provision of spare parts. We believe that this way will allow us to be profitable in the long run. As you already know, we have been in the business for 15 years and so are the representations of those products.*

This small interview extract gave rise to a number of open codes. Open codes specific to the discovery of the category of engaging exclusivity have been underlined. These include: "pricing"; involvement of Principal; improved cost; availability of products; "initial investments in marketing and stocks"; "want to have control of market"; limiting competition; providing after-sales service; ability to provide spare parts; Principal's commitments; experience in industry; long term commitments by both parties.

The natural language of the research participants was used where possible. Those "*in-vivo*" codes (Hutchinson, 1986, p. 120) were expressions that conjured up a rich picture, a vivid picture of what was happening in a particular context.

Interview with Conner – SR2, QD (160899)

QD is one of the newly established crane manufacturers in Singapore. At the time of interview, this company just celebrated its second anniversary. Most of the members of QD's management team were former employees of a leading crane company in S.E. Asia. In this interview, Conner, the sales director is describing his experience with a particular Principal firm.

We were promised these lines of products at that point of time. Though there were market confusions that two Distributors were carrying the same lines of products, we were assured by Mr Glamor, the regional manager, that this was just the interim period where there is a change of Distributorship. It was his words that we had taken at face value that started the beginning of our massive marketing efforts. I mean we were everywhere, on the newspapers, trade magazines and exhibitions. You know these things take a lot of investment and time. To be honest, we did our best to do our part for this range of products in this small industry. We did manage to get a fair share of the market but so did our competitor. They were riding on our work without even spending much on advertisements. If I recounted correctly, in that year, we have lost at least half a million worth of projects to these guys. And yet, our Principal did nothing. By the time it came for the Distributorship to be transferred, we were told that the other company did as well as we did and thus made the decision making difficult. We were told to continue what we did for another year. By then, our internal management had decided to pursue another brand but this time we made sure that we were the only ones marketing it in Singapore.

This extract gave rise to a number of open codes. Again, open codes specific to the discovery of the category of engaging exclusivity have been underlined. Amongst the open codes generated from this extraction were: <u>avoid market confusion</u>; assurance by Principal; "<u>takes a lot of investment and time</u>"; "<u>did our best to do our part</u>"; "<u>small industry</u>"; obtained fair share of market; "<u>Principal did nothing</u>"; <u>unfulfilled promise</u>; <u>only company marketing the products</u>.

Interview with Gorzen – SR85, ZATR (081100)

Gorzen is the export sales manager of a Principal firm. In this extract of a longer discussion, he is describing his workings with his Distributor in Singapore.

About 15 months ago, they came to see us and expressed their desire to represent our products in Singapore in their new set up. Having worked in Singapore for the past 3 years allowed me to understand and appreciate the local situation better. And I know these guys, they have the relevant experience in the industry and I believe they can do a good job with our products. But there are many things to consider before awarding them the Distributorship. Every potential Distributor would want to work in a way that benefits them and they will promise you the world in order to secure a stable working relationship. I recognised that it is easier for me to work through Distributors than doing it alone. After all, they are the ones that have the market knowledge and are in direct contact with the customers. We probably need to be very sure that the party that we work with is capable of producing the desired results that is beneficial for us. I mean there is a lot at stake for us too. Putting in resources for product training and after sales service program. We must be very sure that we too can fulfil and meet their requirements. I find it better to give both parties the chance to prove the worthiness mutually. In a tight market where there are only so many 'experienced' Distributors, we probably must make do what is currently available. As I keep telling my boss, in this way we will not lose out on every opportunity. Obviously, when the time comes, we will play our part.

This interview extract gave rise to a number of open codes. Again, open codes specific to the discovery of the category of engaging exclusivity have been underlined. Amongst the open codes generated from this extraction were: express desire for representation; ability to understand and appreciate local situation; "relevant experience in the industry"; <u>many considerations prior to award of Distributorship</u>; <u>security of a stable working relationship</u>; <u>work to benefit</u>; market knowledge; direct contact with customers; <u>capable of producing beneficial results</u>; allocation of resource for training; internal assessment; meet requirements; <u>proof of worth</u>; make do with situation; "<u>not lose out</u>"; "<u>play our part</u>".

At this stage, it became obvious from the data itself that achieving market control had some impact on the behaviour of key decision makers and potentially on the progress of the Principal-Distributor relationship. Gradually, as more data were collected and analysed, moving this to a higher conceptual level, the managerial issue that appeared to link these open codes together was one of <u>engaging exclusivity</u>. This inductive process was assisted through the use of theoretical memos, which will be described more fully in later sections.

Using the process of constant comparison, with other related incidents a number of related properties or "*sub patterns*" emerged within the category of <u>engaging exclusivity</u>. (Glaser 2001, p. 10). Again simply from the three interview extracts above, <u>achieving market control</u> was essential for the management of Principal-Distributor relationships. This was indicated by the open codes of:

- Long term commitments from both parties

- Improvement of Profits
- Control of market
- Limiting competition
- Security of a stable working relationship

Likewise, the <u>performance beneficial to both Principal and Distributor</u> emerged as a sub-pattern of successful Principal-Distributor relationship. At this stage, the open codes that gave rise to this hypothesis were:

- Capable of producing beneficial results
- Proof of worth
- Unfulfilled promise
- Considerations for award of Distributorship

Open coding, as suggested by Glaser (1978, 1992) and Strauss and Corbin (1990), is the first step of a theoretical analysis towards the discovery of categories and their properties. It is done to highlight data that the researcher believes may have an importance beyond the simple description of the context of the data (Lowe, 1996). Although the open codes presented above were descriptive, they set the initial stage to move conceptualisation to a higher level. This was achieved by the constant comparison method described earlier in this chapter by comparing code-to-code, incident-to-incident looking for similarities and differences. For example, from just the interview extracts above, the researcher would compare all the underlined codes by asking Glaser's (1992, p. 51) key questions:

- What is this data a study of?
- What category or property does the incident indicate?
- What is the basic process that "processes the main problem that makes life viable in the action scene"?

Selective coding

As analysis proceeded, understanding deepened and some characteristics were merged together. Once the basic category of <u>engaging exclusivity</u> was discovered through the constant comparison of all data in similar incidents, participants were asked specific questions to further saturate the category. Questions were focused on the participants' perceptions of exclusive arrangements between Principals and Distributors. For example, some decision makers of both Distributor and Principal firms were specifically asked what impact exclusive arrangements had on their relationships. The following is an extract of the interview that was conducted late in the data collection process where the emphasis was on saturating the category of <u>engaging exclusivity</u>.

Repeat Interview with Steve – SR82, LLG (271000)

Steve is the director of a UK hoist and crane manufacturer based in Singapore. He has 15 years experience in the industry and has been involved in the appointment of Distributors within Asia.

Ng: Does having exclusive relations with your Distributors benefit LLG?

It depends. Every Distributor that comes our way is always looking for an exclusive relationship with us. This is quite normal. They see us as possibilities in assisting them in improving their current situation. However, we see Distributors as our extended sales offices in that country. Therefore, we need time to assess them. It is for us to assess if this potential Distributor is the kind of partner that we want. The last thing you want is to appoint someone as your Distributor who turns out to be indifferent about your products and requiring you to switch Distributor down the road. I had one of those when I first joined the company. This Distributor promised us heaven and earth but for the next 3 years sold nothing for us citing market conditions as their predicament. It was a disaster. We trained their sales teams and service crew, gave them the basic designs for cranes and supported them in every inquiry but no cigars. I learnt from that. 3 years of work down the drain. We recognised that by working exclusively with the Distributor is giving assurance that we are there for them and to motivate them to do much more for us. But we need to be assured that the Distributor that works with us exclusively also keeps their promise. That's why I make sure that the Distributor works just as much and brings in the business like any of our local sales people. There is no free ride. Though we are considered the largest UK manufacturer of hoists and cranes, we recognised that it is not feasible for us to operate in every country ourselves. We see working with Distributors as a good way of reaching customers, providing technical support and after sales service to those that buy our products. Distributors allow

the multiplication effect of sales and they know it too. We cannot lose the opportunity to better increase our market shares.

At this stage, the above interviews together with other interviews involved a certain level of selective coding. At the same time, the notion of synergy gradually emerged as a possible core category. Next, participants were asked specifically about how the basic categories might relate to the issue of managing synergy between Principal and Distributor firms. These questions added to the formation of, and association amongst, the categories. However, it must be pointed out that this was an implicit process as the core category had not been pre-determined at this stage, and the main objective of these questions was to further the researcher's understanding of the category of <u>engaging exclusivity</u>.

The interview with Steve generated the following codes in relation to the basic category of engaging exclusivity: exclusivity perceived as assurance from Principal; exclusivity as motivations; need to assess Distributor; profile of ideal Distributor; Distributors need to fulfil promise; exclusivity involved responsibilities; recognized limitations of one's company; exclusivity improved market share. When all the above codes and those from other similar interviews failed to inform or add any new dimension, that is "*no new properties… emerge*" to the category of <u>engaging exclusivity</u>, this category was considered as saturated (Glaser, 2001, p. 191). While there were no clear-cut rules as when saturation will occur, it must be mentioned that attempts were made to avoid early 'closure' (Glaser, 1978; 1992; Strauss, 1987). This included seeking out disconfirming evidences in order to further saturate the category. For example, the repeat interview with Steve led the Researcher to ask:

- To what extent do distributors favour exclusive relationships?
- What distinguished those who want it from those who do not?
- When is exclusivity desirable and when isn't it?

These questions to seek out disconfirming evidence has led to the researcher staying in the field longer by visiting other sites that will be explained in later sections.

Theoretical coding

It became clear that what was linking all of the elements into an integrated theory was a 'process' in theoretical coding. As pointed out by Glaser (1978, p. 74), a process "*must have at least two stages*" and he refers to "*getting something done which takes time or something happening over time*". In this study, each of the linked sub-core categories, and the core category of '<u>managing collaborative synergy</u>', were 'phases' in the management of the Principal-Distributor relationship. As such, Glaser's 'process' coding family seemed appropriate for use in the study. In addition, the term 'phases' were used by many participants in their description of Principal-Distributor relationship and as such supported the use of the process coding family in this study. These participants would use phrases such as "*during this phase, we were interested in…*", "*…at the beginning phase of the partnership*", and "*it became a problem during that phase…*", to describe their experience regarding PDC.

The above-mentioned illustration of the coding process is, to a certain degree, a simplified view of the process for the discovery and saturation of the category of <u>engaging exclusivity</u>. However, in reality, each and every interview, field note and company's record was constantly compared for the generation of each category, its properties and its relationship to other categories. At the heart of the process of discovery and saturation of each category, and to the relationship linking each category, was the use of theoretical memos. This will be explained in the next section.

Theoretical memos

A prerequisite of any grounded theory study is the need to write memos. In this study, memos were written throughout the research process and were pivotal in "*breaking the categories into components and elaborating the codes. By writing memos, the researcher moved directly into analysis of the data. Bits of data and early codes were systematically examined, explored, and elaborated*" (Charmaz, 1990, p. 1169). Memo writing compelled the researcher to reason through, in order to verify categories, their integration, fit, relevance and work within the theory. Initially in the early phases of this study, memos were often labelled with simple, descriptive titles. For example, the early interview with Luke, discussed earlier in this paper, produced over 10 memos, amongst them one titled 'Limiting Competition'. This memo is illustrated in Figure 1.0 that follows. In this particular example, the memo was used to record an incident which sparked the researcher's thoughts on Distributors, including the relevant open coding shown earlier in this paper.

The process in deciding what represented an incident worthy of a memo depends on the researcher's intuition. While this early memo captures the researcher's notions, reflections and conflicting thoughts, it also enabled the questioning of the emerging data. In addition, suggestions/ recommendations for further data collection were noted with further sources of information it might be useful to pursue. Memoing continued in parallel with data collection, note taking and coding.

Memo: Interview with Luke – SR1, HRR (160899)

Limiting Competition

Obviously, pricing [pricing] is one of the most important factors. To survive in today's environment [competitive environment], the Principal must do more in order to enable us to compete [involvement of Principal]. One of the strategies is to look at our cost [improved cost] and availability of our products [availability of products]. We must be prepared to make initial investments in marketing and stocks [initial investments in marketing and stocks]. However, we need to have control of the market [want to have control of market] and marketing of the products [limiting competition] in the long haul. This includes the servicing of products [providing after-sales service] and provision of spare parts [ability to provide spare parts]. In this way, it will allow us to be profitable in the long run [Principal's commitments]. As you already know, we have been in the business for 15 years [experience in industry] and so are the representations of those products [long term commitments by both parties].

1.   It appears that limiting competition in a competitive environment is the main concern in Principal-Distributor relationship. This seemed to be the behaviour in committing to a relationship involving investments in marketing efforts and stocks.

2.   In an effort to remain competitive, Distributor's strategy is to limit the availability of goods to competitors by obtaining Principal's involvement. Hence improving cost and limiting competition. In the long term, Distributor is profitable by providing after sales service and spare parts.

3.   It seems that the overall strategy adopted by Distributor is advantageous to them and largely ignored the goals of the Principal firm. Given the current competitive nature of the industry, limiting competition would only seem to have immediate benefits for the Distributor.

4.   Since the environment is competitive and price sensitive, would limiting competition be beneficial for the Principal? If it is not, then what other ways to work with Distributors? To what point, do we consider limiting competition?

5.   From this initial discussion with Distributor, I don't know if limiting competition is the only motivation for collaboration. I can only speculate. What we don't know from this initial discussion is the Distributor's agenda. I must be more in tune in our next discussion, what cues they are responding to, and what responses if these cues are met?

Figure 1: Memo titled "Limiting Competition"

Using the same procedures described above, many memos were generated in each interview in the early phases of this research. These included interviews with Conner, a memo titled 'Avoidance of Market Confusion' and with Gorzen, a memo titled 'Security of a Stable working relationship'. These two memos included the paragraph shown earlier in this chapter from interviews with each of these participants. Furthermore, the generation of theoretical memos was primary in the process of grouping together various incidents and related open codes into basic categories. As the analysis proceeded, further insights were built-up and some memos were merged. In addition, memos were used to continuously increase the level of abstraction by grouping basic categories together into higher order categories, for the discovery of new categories and for the discovery of the core category of <u>Managing Collaborative Synergy</u>.

For example, memos titled 'Limiting Competition', 'Avoidance of Market Confusion', 'Security of a Stable working relationship' together with memos from other interviews, seemed to have something in common. Many became interconnected to form common themes. Based on the above illustration, the theme that connected these three memos and other similar memos together was the notion of 'exclusive relations'. From here, this was the title given to a new theoretical memo.

Upon receiving a new label, this theoretical memo was used to conceptualise and account for commonalities of these memos. It was not unusual that these theoretical memos would appear to be more descriptive than conceptual at this point of time. Using the memo 'Exclusive Relations' as an example in Figure 2.0, this memo was more descriptive than conceptual. Descriptive analysis was unsatisfactory, as the point of memo writing was to move beyond description to conceptualisation. However, as more data were examined and collected, the concept of 'exclusive relations' was continuously refined by the increase in conceptualisation skills of the researcher. Figure 3.0 summaries the final memo relating to this category, by this stage titled

<u>engaging exclusivity</u>, which became a theoretical element of the final theory of <u>Managing Collaborative Synergy</u>.

Exclusive Relations

Memo: Exclusive relations have implications on both Principal and Distributor.
- They can lead to stability of sales and profits in the long term.
- They can impact survivability in the long term.
- They provide a sense of certainty for the market.
- They can improve the overall perception of the brands.
- They can create problems.
- The need to assess partner's capabilities prior to establishing exclusive relations.
- The need to assess internal capabilities to compliment working partner.
- It takes time to establish exclusive relationships.
- They must be capable of producing beneficial results for both parties.
- It takes commitment from both parties to make the relationship work.
- Both parties must fulfil the promises made to each other.

Figure 2: Early Memo titled 'Exclusive Relations'

Final memos such as depicted in Figure 3.0 became the foundation for the process of theoretical sorting. These memos were sorted according to their similarities and relationships with each category and to higher order categories (for example, confidence building and conformance setting) and to the core category. The process of theoretical sorting became the basis for writing up the grounded theory.

Engaging Exclusivity (SR-M-A-C1-1)
Memo
The term 'exclusivity' means rights given to Distributors that are not divided or shared with others. These rights are complete, undivided and not shared by others. In other words, exclusivity can be viewed as the highest selling right awarded to a Distributor by a Principal. Every Distributor wants to be the exclusive Distributor and adopting this position means turning away other potential Distributors. It is a managerial issue that occurs early in the Principal-Distributor relationship.

Theoretical construction/hypothesis
In engaging exclusivity early in the Principal-Distributor relationship, the Principal firm must be careful and assess the potential capabilities of the Distributor and the market environment prior to the award of exclusive Distribution rights. While not working exclusively with the Distributors may be perceived as non-committal on the Principal's side, the wrong selection would impede Principal's objective of increasing market share and place the Principal at a competitive disadvantage. The Principal firm may lose opportunities if the Distributor is not giving its exclusive commitment in its marketing efforts. Mutual respect and trust must be established between Principal and Distributor firms. This takes time and can slow the process of collaborative synergy.

Distributors looked for assurances in the relationship with the Principal. In marketing Principal's products, Distributors wanted to be assured that it is worth their while to incur marketing expenses. Hence, Distributors wanted to be able to reap the benefits of their labour for long-term survivability. As such, the Principal needed to assess its internal requirements to help Distributors effectively market these products by allocating resources in training, product knowledge, installation, techniques and after sales service maintenance. This often increased the levels of synergy between managers of both Principal and Distributor firms.

Properties/Dimensions:
Exclusivity can impede or advance Principal-Distributor relationships.
Working exclusively with a Distributor could improve the overall performance of both Principal and Distributor. However, this could also lead to stalling of the relationship.

Parties suffered from 'unfulfilled expectations'.
There are often high expectations of performance by either party to the relationship. If performances are met, managers are able to establish credentials and work to their advantage by increasing trust and respect. Conversely, if targets were not met, this could lead to mistrust and unfulfilled expectations.

Figure 3: Final Memo of '<u>Engaging Exclusivity</u>'

Theoretical sorting

In the study of principal-distributor relationship in Ng's (2005a, b & c) works, theoretical sorting was performed simultaneously with theoretical coding. According to Glaser (1998, p. 163), theoretical codes "*weave the fractured story turned into concepts back to an organized whole theory*". The use of Glaser's "*process*" family codes was instrumental in the grouping of categories (Glaser, 1978, p. 74). This was due to the constant referrals by participants on the word 'phases' in interviews that enabled the conceptualisation of the relationships between categories in terms of their sequence in a process of managing Principal-Distributor relationships. For example, it was apparent that the theoretical memo of engaging exclusivity described above was often a management issue early in the development of Principal-Distributor relationship in the 'confidence building' phase. The category of engaging exclusivity also turned out to be an action sequence in the sub sub-category of 'Distributor-based strategies'. It was through this kind of inductive reasoning together with the use of theoretical memos to record this reasoning, that theoretical codes and theoretical sorting were accomplished. In addition, as the memo demonstrated, memo writing directed the researcher's further theoretical sampling and enhanced his theoretical sensitivity (Glaser, 1978; Strauss & Corbin, 1990).

Conclusion

The purpose of this appendix has been to demonstrate how a grounded theory was induced from data. This is an iterative process as the discovery of a grounded theory is a non-linear and inductive process relying much on the ability of the individual researcher. It should be emphasized that it is problematic for any grounded theorists to reveal fully the complex process of inducing a grounded theory from empirical data in its entirety. To do so would require detailed explanation of every minute step through the data and the inclusion of each and every field note and theoretical memo. Such voluminous information would simply be impossible for a paper such as this. What the reader sees is in fact snap shots of how the theory was generated from the systematic process data analysis, theoretical memoing and theoretical sampling.