

Chapter 2

The Use of Grounded Theory Methodology in Theory Building

ABSTRACT

The chapter discusses the qualitative analysis method of the grounded theory (GT) and its application in the generation or building theory. The emphasis in the GT approach is on building theory rather than validating the existing theories. The GT methodology has been a topic of interest to management researchers and is intellectually challenging. In order to enhance understanding and skills for continuous professional development and to improve conditions, theory building should be considered a vital activity. In new circumstances where social systems cannot provide a certain predictive power, the need for new theories is felt. The topics discussed in this chapter revolve around theory and theory building; inductive, deductive, and abductive approaches to constructing theory; levels, functions, components, and evaluation of theories; research methods used in theory development; and in particular, the GT method and its application in theoretical coding and the reliability of this approach in serving these purposes.

INTRODUCTION

In order to create perspectives and theorize in areas that are theoretically mature, as well as revive and refine existing theoretical frameworks, one can use the grounded theory (GT) approach. Using GT in this context can guarantee that theories are able to adapt the organizational realities they are trying to explain (Locke, 2001).

A few things are important about the GT method. First, the GT method includes the study of qualitative data and, in principle, can be regarded as a key method of confirming the legitimacy of qualitative research in several research areas. Second, building or generating a theory that is preferably new, rather than merely working on existing perspectives, is a central focus of the GT method. Third, empirical analysis is needed to develop a theory with the GT method, and the GT method is actually data-based, and generally large volumes of data is needed for this purpose. Apart from these three issues, there are a number of practices that are generally related to the GT method, including theoretical sampling, memo writing, and development and use of emerging concepts. However, qualitative research, the development of new theory, and empirically grounded induction, as three key areas, have always been found in research using GT approach (Berente and Seidel, 2014).

The GT method can be used in both quantitative and qualitative research, although it is generally used in research with qualitative data. Also, in order to identify patterns and create (rather than test) hypotheses, rich and qualitative data can be investigated inductively. The effectiveness of this approach, however, has been criticized for developing theories regardless of existing theories in order to provide new insights, because this approach can be unrealistic (since people always have theories in mind (and lead to unintended consequences) or address non-important or irrelevant issues (because in the absence of existing literature, researchers may reconstruct existing explanations). In addition, not only qualitative or inductive methods, but also emerging ones can be involved in the GT methodology. Grounded research is developed not based on a pre-prepared plan, but rather organically, and in such research the design have the potential to emerge during the process of research like concepts (Berente and Seidel, 2014).

Accordingly, theory and theory building process, theoretical approaches such as deductive, inductive, and abductive, and levels, functions and components, and how to evaluate theories, research methods for theory

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