



Remaining consistent with method? An analysis of grounded theory research in accounting

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Abstract

Purpose – The paper revisits the intellectual roots of grounded theory and aims to analyze the consistency of the method used in grounded theory research in accounting. About 23 papers are identified and analysed.

Design/methodology/approach – The paper is an analytical review of the research literature. It uses four fundamental canons of grounded theory to analyze accounting research.

Findings – Some accounting researchers who have used the label “grounded theory” for their research have misunderstood or not applied the core canons of grounded theory established by Glaser and Strauss and developed with diversity in other disciplines. Most claim to follow the specific approach of Strauss and Corbin, but the published research shows limited explication of method.

Originality/value – Since Parker and Roffey in 1997, there has been no analysis and re-evaluation of the burgeoning academic accounting literature using grounded theory. While celebrating the growth of this research, the paper does raise concerns about the lack of consistency of grounded theory research in accounting with the central canons of grounded theory, and it provides some directions for future grounded theory research by encouraging accounting researchers who wish to use grounded theory to engage more strongly in understanding the method and providing transparent explanations of their data collection and analysis methods.

Keywords Accounting research, Accounting theory, Research methods

Paper type Research paper

1. Introduction

Smith (2003, p. 139) comments that: “Grounded theory has been increasingly adopted as the preferred qualitative approach in accounting field study environments”. This paper is the first review of the progress in accounting research using this dominant qualitative research approach since it was advocated more than a decade ago (Parker and Roffey, 1997; Lye *et al.*, 1997). My central argument is that accounting researchers appear to have mis-used the term and used it for a label for other forms of inductive inquiry. This builds on the same argument of Suddaby (2006) in the management literature where the *Academy of Management Journal* has made clear its policy of rejecting papers claiming to be “grounded theory” which use an “overly generic use of the term ‘grounded theory’ ” (Rynes in Suddaby, 2006, p. 633) and where “‘grounded theory’ is often used as a rhetorical sleight of hand” (Suddaby, 2006, p. 633). Although the same phenomena has been observed in other disciplines it is helpful for qualitative researchers in accounting to step back and re-evaluate the methods they are using.



There are two key strands to the paper. First, I follow the trajectory of the development of grounded theory research both within and outside of accounting research to re-focus on the core elements of grounded theory. Second, I wish to analyse critically whether accounting researchers have been consistent with the method. While welcoming a variety of epistemological stances; I am arguing that grounded theory is a method, not a methodology[1]; and that consistency with method is important for research. Where accounting researchers are using their own approach to inductive theory development, an alternative label than grounded theory might be helpful. Then researchers could carefully explain their approach.

The earliest published papers which use grounded theory go back to 1983 (Covaleski and Dirsmith, 1983). Smith's (2003) accounting research methods book contains a section on grounded theory – the first in this type of book. Despite the strong presence of grounded theory research in health and nursing fields (Chenitz and Swenson, 1986), Parker and Roffey identified only four papers in the accounting literature[2] which used a grounded theory method reflecting a past “bias against grounded theory” (Hopper and Powell, 1985, p. 455). In the last decade there has been much more research published using grounded theory. In particular, the analysis of the grounded theory papers in Table I shows that *Accounting, Auditing & Accountability Journal (AAAJ)* has become the most common preferred outlet for accounting researchers working within grounded theory.

This review comes at a time when there has been some re-evaluation of the interpretivist position in accounting research (Ahrens *et al.*, 2008, Willmott forthcoming in *Critical Perspectives in Accounting*). Kakkuri-Knuuttila *et al.* (2008) have reviewed the seminal piece by Dent (1991) to argue the impossibility of a pure subjectivist position. Although never mentioning or referencing grounded theory, they do argue for a social constructivist position – the foundation of grounded theory.

This paper takes a different turn. While the use of grounded theory in accounting research may be celebrated, there appear to have been problems in the application of grounded theory in accounting. The lack of adherence to generally agreed canons of the method may bring into question the quality of the research and cast doubt on the findings. It may well be a disservice to accounting research if grounded theory is used as a label to make the research seem more rigorous. In such cases, it would be more appropriate to describe the research method as inductive theory development or when appropriate describe it precisely as content analysis.

Grounded theory has been defined in its most general form as “the discovery of theory from data” (Glaser and Strauss, 1967, p. 1). Despite the sub-title of the 1967 book being “Strategies for qualitative research”, their lack of clarity of the “strategy” led to a flurry of books and articles explicating the method (Glaser, 1978; Strauss, 1987). However, in 1990[3], a rift became apparent in the grounded theory area when Strauss joined partnership with a nursing researcher, Corbin, to produce a more clearly defined system of grounded theory (Strauss and Corbin, 1990). Their definition of grounded theory was “a qualitative research method that uses a systematic set of procedures to develop an inductively derived grounded theory about a phenomenon” (Strauss and Corbin, 1990, p. 23). Glaser was angry about this perceived shift to a “new” more prescriptive “systematic” approach which forced the data rather than allowing theory to emerge (Glaser, 1992). He redefined grounded theory as “a general methodology of analysis linked with data collection that uses a systematically applied set of methods to generate an inductive theory about a substantive theory” (Glaser, 1992, p. 16).

Table I.
An analysis of a sample
of grounded theory
research in
accounting

	Grounded theory approach	(1) Explanation of coding and theory building process	(2) Iterative process of data collection and analysis	(3) Theoretical sampling	(4) Comparative analysis
Covaleski and Dirsmitz (1983)	Glaser and Strauss (1967)	No	Yes	Not stated	Yes
Covaleski and Dirsmitz (1984)	Glaser and Strauss (1967)	No	Not stated	Not stated	Not stated
Czarniawska-Joerges (1988)	Glaser and Strauss (1967)	No	Not stated clearly but appears not	Not stated	Yes
Gibbins <i>et al.</i> (1990)	Glaser and Strauss	No	No	No	No
Innes <i>et al.</i> (1996)	Strauss and Corbin	Yes	Not stated	Not stated	Not stated
Norris <i>et al.</i> (1996)	Strauss and Corbin	Yes	No	No	Not stated
Slagmulder (1997)	Strauss and Corbin	Yes	No	Not stated	Yes
Baxter and Birkett (1998)	Strauss (1987)	Yes	No	No	Not stated
Abdul-Rahman and Goddard (1998)	Strauss and Corbin	Limited	Not stated	Not stated	Not stated
Barker (1998)	Glaser and Strauss	None	Not stated	No	No
Greenhalgh (2000)	Orton (1997)	Yes	Yes	No	Yes
Lightbody (2000)	Strauss and Corbin	Limited	No, except "dialogue"	No	Not stated
Hines <i>et al.</i> (2001)	Strauss and Corbin	Yes	Not clear, although by inference no	No	Yes
Parker (2001)	Strauss and Corbin	Limited	No	Not stated	No
Parker (2002)	Strauss and Corbin	Limited	No	Not stated	No
Norris (2002)	Strauss and Corbin	Yes	No, but acknowledged	Not stated	No
Parker (2003)	Strauss and Corbin	Limited	No	Not stated	No
Goddard (2004)	Strauss and Corbin	Yes	Not stated	Not stated but by inference no	Yes
Wickramasinghe <i>et al.</i> (2004)	Strauss and Corbin	No	No	No	No
Goddard (2005)	Strauss and Corbin	Yes	Not stated	Not clear	Yes
Holland (2005)	Locke	Yes	Yes	Yes	Yes
Lye <i>et al.</i> (2005)	Strauss and Corbin	Yes	Yes	No	Yes
Goddard and Assad (2006)	Strauss and Corbin	Extensive	Not clear, although implication is yes	Not clear	Yes
Solomon and Solomon (2006)	Strauss and Corbin	Yes	Limited	No	Yes

Any method evolves; grounded theory has changed. Its diffusion started from the nursing research community as Glaser and Strauss both took up academic positions for lengthy periods in the nursing faculty of the University of California – San Francisco. They trained a large number of grounded theorists in nursing leading to hundreds of published papers using grounded theory method (Benoiel, 1996). The writings of Glaser and Strauss and a range of conferences diffused the grounded theory method to scholars in other disciplines. Although the grounded theory method has evolved, there are some central canons that relate to the method used. This paper provides an overview of the changes in the grounded theory approach over the last two decades. It does this to re-focus grounded theory accounting research which has tended to lose contact with the central canons of the method.

The take-up of grounded theory method in accounting has been more limited than in nursing. This is partly because grounded theory has been identified as a “craft” (Martin and Turner, 1986) passed on through an oral tradition and mentoring (Stern, 1994). Accounting researchers are therefore potentially guilty of having learnt “it from a book or, more likely a book chapter or, with no reference from which to work, decided to manipulate the data in any old way and name it grounded theory” (Stern, 1994, p. 213). The concern has been expressed that as grounded theory becomes more popular it will be abused as a label to cover content analysis (Morse, 1994) and general qualitative approaches, lacking clear conceptual foundations and “imprecise application” (Annells, 1996, p. 391). Sometimes in accounting research the method has been labelled as grounded theory, when on closer inspection it appears to be content analysis.

There has been a significant contribution of inductive theory development in accounting with a growing body of papers producing insights which are more novel and richer than that obtained by using an existing body of theory. Exploring the contribution of this research is not the purpose of this paper. One example is Parker’s (2001) model of reactive planning which provides an explanation of the antecedents and the ultimate results of this behaviour in “negotiated financial control”. Another example is Abdul-Rhman and Goddard’s (1998) new understanding of accountability in two Islamic religious councils. They use an inductive approach to argue that the sacred-secular divide discussed in the analysis of Christian institutions does not apply in an Islamic context.

While arguing for consistency with method, I am not arguing for constraining methodology. The two English-language books on grounded theory in the business and management literature (Locke, 2001; Goulding, 2002) both investigate methodological pluralism while clearly differentiating grounded theory from other forms of qualitative inquiry.

In the next section, the evolving perspectives of grounded theory are discussed. By explaining the various schools of thought, I am providing a basis for future accounting researchers to be clearer about which version of grounded theory they are using and to clarify their own ontological and epistemological stances. The Section 3 provides the evidence that grounded theory in accounting research has not been consistent with the method. The following section produces an argument that even if method was followed consistently there would still be issues with the use of grounded theory; issues which need to be addressed. The paper concludes with possibilities for improving grounded theory research in accounting.

2. The changing perspectives of grounded theory

Grounded theory is “rooted” in symbolic interactionism (Stern, 1994, p. 215; Bowers, 1988; Chenitz and Swenson, 1986; Lye *et al.*, 1997; Locke, 2001). The researcher “hopes to construct what the interactants see as their social reality” (Stern, 1994, p. 215). Some grounded theorist researchers wish to move beyond the symbolic interactionist view and develop more critical approaches to grounded theory research (Annells, 1996).

Some confusion in grounded theory relates to the variety of methodological stances and methods which are labelled as grounded theory. The grounded theory approach cannot be expected to be rigid and prescriptive, although there must be some central tenets of the approach. In a collection of readings, edited by Glaser, it is noted: “Although I attempt to be faithful to the form and logic of their approach, over the years I have developed my own style of using grounded theory” (Charmaz, 1994, p. 160) or as May expresses it “. . . we . . . have come across the general forms of the process we have come to call grounded theory . . . and they are different in some fairly interesting ways” (quoted in Morse, 1994, p. 211). In the nursing area alone, there were at least 146 refereed articles labelled “grounded theory” in the short period between 1990 and 1994 but of these only 33 could strictly be classified as grounded theory (Benoliel, 1996). A number of methods are building out of the grounded theory method developed by Glaser and Strauss (1967), but “a child once launched is very much subject to a combination of its origins and the evolving contingencies of life. Can it be otherwise with a methodology?” (Strauss and Corbin, 1994, p. 283).

A comprehensive analysis of the grounded theory literature suggests four particular schools of grounded theory. First is Glaser’s emergent approach, best reflected in Glaser (1978). The second comes from Strauss’ collaboration with Corbin which produced a much more structured approach (Strauss and Corbin, 1990). The third is the development of the approach by Strauss before his collaboration with Corbin (Strauss, 1987). Papers continue to be published which rely on earlier development of grounded theory by Strauss who adhere to his general approach but do not agree with the Strauss and Corbin (1990) approach. Finally, there is the dimensional analysis of Schatzman (Schatzman, 1991; Kools *et al.*, 1996).

Many authors would not see the second and third as different schools – Strauss and Corbin’s approach being an extension of the diversion of thought between Glaser and Strauss. Glaser, of course, saw Strauss’ co-authored work with Corbin as abandoning all the previous agenda. This produced one of the most vitriolic attacks in academic history in Glaser’s (1992) little red book.

Various efforts have been made to compare the differences between different grounded theory approaches, but primarily focusing on the divergence between Glaser and Strauss (Stern, 1994; Parker and Roffey, 1997; Lye *et al.*, 1997). Some of the analyses concentrate purely on differences of method rather than methodology (Parker and Roffey, 1997). Heath and Cowley (2004) analyse the differences in relation to the greater deductivism in Strauss and Corbin, with their different use of the literature and a different approach to coding.

It has been argued that historically the grounded theory research endeavour was formulated from a post-positivist stance (Annells, 1996). Evidence for this belief is particularly found in the writings of Glaser (1992) who at times assumes an objective reality, “true meaning” (p. 55), in which “scientific facts” (p. 30) can be developed by

an objective researcher. The work of Strauss and others appears to stress a more relativistic approach to ontology and epistemology (Annells, 1996), by accepting a “reality that cannot be known, but is always interpreted” (Strauss and Corbin, 1990, p. 22) and the subjectivity of the researcher who is never “neutral, detached and objective” (Bowers, 1988, p. 43). Strauss and Corbin appear to have moved grounded theory to a more interpretivist (Parker and Roffey, 1997) or constructivist (Annells, 1996) stance.

In contrast with this seemingly more relativistic stance, the work of Strauss and Corbin has provided a more rigid procedure. Glaser (1992) argues that this forces data into a model, and thereby cuts off the development of interpretations by the constraining of theory. He remains wedded to the belief in “emergence” and that creativity comes from memoing and constantly developing concepts that fit all of the data and are changed to meet each new data. At no stage is the data forced to meet a concept. Heath and Cowley (2004) reasonably claim that Strauss and Corbin have moved from pure induction to deduction and verification. For this reason it has been seen as “a densely codified structured operation” (Stern, 1994, p. 220), rule bound and formulaic (Melia, 1996).

Indeed, this produces an interesting conundrum. While Glaser appears to argue for a more objectivist-realist ontology he advocates a relatively unstructured method, and resists the codification found in Strauss and Corbin. Strauss and Corbin, on the other hand, while ascribing to a more subjectivist position than Glaser, are much more willing to adopt a highly prescriptive and structured method.

The approach of Strauss and Corbin (1990) specifically includes the contextual issues beyond the actors’ views. However, grounded theory researchers who do not accept the Strauss and Corbin paradigm would still argue that the researcher should go beyond the experience of the actors. For example, the idea of “marginality” is recommended (Bowers, 1988); where the researcher attempts to keep one foot outside of the research environment. There may be a belief that researchers using grounded theory can move into post-modernist or critical research, but that relies on shaking off its roots in symbolic interactionism and its claims to theory construction (Annells, 1996).

It would not be surprising that the more structured approach of Strauss and Corbin (1990) would appeal to accounting researchers because of the attractiveness of its precise procedure and structure to researchers brought up with the order of conceptual frameworks, and with backgrounds in quantitative methods. However, the adoption of Strauss and Corbin’s approach may restrict the creativity of theory building where the “procedures are getting in the way” (Melia, 1996, p. 376).

Accounting researchers have often adopted Strauss and Corbin’s approach, but an even stronger research tradition might arise if accounting researchers explored more thoroughly the underlying assumptions of the method they are working with. One of the weaknesses of Parker and Roffey’s (1997) argument is that they minimise the differences between Glaser and Strauss, rather than carefully distinguishing them as is found in the broader grounded theory literature (Heath and Cowley, 2004; Stern, 1994; Melia, 1996).

Corbin and Strauss (1990) proposed 11 canons of grounded theory method. Some of these are not critical (e.g. that grounded theorists need not work alone), and some are contested. Starting with these 11, I have used the writings in the method of grounded theory and the only two books on grounded theory in business and management (Glaser and Strauss, 1967; Glaser, 1978; Stern, 1980; Strauss, 1987; Bowers, 1988; Glaser, 1992; Corbin and Strauss, 1990; Goulding, 2002; Locke, 2001; Suddaby, 2006) to arrive at four key canons that are uncontested.

The first of these is that grounded theory is an iterative process of data collection and analysis. Corbin and Strauss (1990) make this the first of their “canons and procedures”. This was fundamental to Glaser and Strauss’ (1967) approach and was picked up by Parker and Roffey (1997). A researcher who collects all of their data and then starts to analyse it is not using the grounded theory method. In true grounded theory “data collection and analysis proceed simultaneously” (Charmaz, 1994, p. 96). As Glaser and Strauss (1967, p. 71) expressed it: “Research aimed at discovering theory . . . requires that all three procedures (data collection, coding and analysis) go on simultaneously to the fullest extent possible”. “Grounded theory is about the simultaneous collection and analysis of data” (Goulding, 2002, p. 25).

The second core canon is theoretical sampling; the fourth of Corbin and Strauss’ “canons and procedures”. Data gathering is driven by the theory. The concept of theoretical sampling is critical to all approaches to grounded theory – for without it the grounded theorist argues there can be no closure in theory building. Theoretical sampling involves seeking out comparison groups as the theory is developing (Locke, 2001; Bowers, 1988) and collecting new data based on emerging categories. Grounded theorists often seek disconfirming cases which may contradict parts of the present theory development and hence enrich theory development. It is only when all contradictory points have been elicited that the researcher can come to some limited finality in the process.

The third is the constant comparative method. Strauss and Corbin (1990, p. 67) explain it as the “identification of variations in the patterns to be found in the data”. Glaser sees it more in terms of comparing differences and similarities to integrate categories and their properties. The comparison process happens throughout the grounded theory process so that the theory becomes richer.

A fourth canon is the explanation of coding and the theory building process. Critical to the acceptance of qualitative research is the willingness of the researcher to “articulate as fully as possible the processes associated with data analysis” (Bryman and Burgess, 1994, p. 224). Morse (1994, p. 24) expresses the concern that in grounded theory she observes: “The neglect or inability of qualitative researchers to make explicit the cognitive struggle of model or theory construction . . .”. Given that coding and theory generation is an area of clear difference between the Glasserians and the Straussians, researchers could be expected to explain their approach to coding and theory development.

I have been unable to find a single paper on grounded theory method which disagrees with these four central tenets of the method. I have not found an accounting researcher who disputes them, even though they have may not have been followed in accounting research. The next section explores the level of consistency with method in accounting research.

3. A review of studies in accounting

I argue that when reading the grounded theory accounting research readers are entitled to ask whether the researchers are really using grounded theory or whether they are using an inductive approach which has been labelled as grounded theory, “a nod in the direction of general direction of grounded theory and then a progression to a generalised qualitative analysis” (Melia, 1996, p. 376). Then the reader needs sufficient detail of the method to make a judgment whether it is sound grounded theory. It is not my purpose to speculate why researchers have chosen to use a particular approach to “grounded theory” in the context of their research.

The four canons (Corbin and Strauss, 1990) established earlier in the paper have been applied to the established body of accounting research which uses grounded theory. In Table I I have analyzed grounded theory papers in the top 20 accounting journals using the most recent research of the top 20 journals reviewed by Lowe and Locke (2004)[4]. My sample was to the end of 2006, adding some papers from *British Accounting Review* which is not in the top 20 but has been willing to publish grounded theory research. I have also used Google Scholar in January 2007 in order to pick up grounded theory papers published as book chapters. Search terms were “grounded theory” and “Strauss”, which picked up all papers using grounded theory and referencing either the older versions of Strauss’ work or Strauss and Corbin. The limitations of the sample are that it excludes papers from the non-English language accounting literature and research published as book chapters.

Looking at the first column, grounded theory approach, there seems to be a trend that the earliest published studies referenced Glaser and Strauss (1967) whereas nearly all of the recent studies are built on Strauss and Corbin (1990). The more functionalist approach of Strauss and Corbin (1990) probably fits more comfortably with accounting researchers. It tends to lead the researcher in a step by step approach.

An explanation for the form of “grounded theory” being used in accounting research may be a form of academic tribalism (Becher, 1989). Of these papers, nine appear in *AAAJ*, two more were presented at one of the APIRA conferences supported by *AAAJ* and two more were authored by the editor of *AAAJ* although published in other journals. It may be that this is a community of scholars who are supportive of the Strauss and Corbin approach which is perpetuated amongst them. This “tribe” acts outside the ambit of the broader “tribe” of grounded theorists and appears unconnected with them.

The next column explores the level of explanation of coding and theory building. Observable in these papers is that many researchers do not explain their process of theory building. Yet transparency should be a key criterion for publishing qualitative research (Suddaby, 2006; Johnson *et al.*, 2006; Meyrick, 2006). A careful reading of the 24 papers in the sample and their antecedent conference or working papers shows that it is not uncommon for detailed explanation of the process of theory generation to be deleted in the process of development to a final journal publication. Bruggeman and Slagmulder (1995) was originally in the above table as it is known to be grounded theory research because of the previous working papers and conference papers (Greenhalgh, 2000) – but after the review process its final form in the accounting literature there is no mention of grounded theory. Baxter and Birkett (1998, p. 7) claimed their work to be ethnography and a “form of ‘grounded theory’”. Three accounts are developed to answer three different research questions and core categories are developed by integration of the *in vivo* categories and sociological constructs. In its latter iteration (Baxter *et al.*, 2004), with the addition of Chua as an author, all mention of grounded theory is gone.

It must be acknowledged that some accounting researchers do give detailed explanation of the process of data analysis and theory building (Norris *et al.*, 1996; Innes *et al.*, 1996). Norris *et al.* (1996) does not follow the iterative process of data collection and analysis as interviews were completed before data analysis commenced but we do know the method used and can choose to accept it as credible or not. Although Lye *et al.* (2005) did use iterative data collection and analysis there is no evidence that theoretical sampling was used – the sample appears to have been

selected before any interviewing was started. Lye *et al.* (2005) also demonstrates an approach to theory building where one section of text can only have one theoretical concept. These are built up into more macro concepts. Although they obtained closure, this model building process seems a departure from the tradition of grounded theory. Following the full grounded theory method may have produced a richer theory where more theoretical dimensions were identified. It is not that the explanations are unsupported but the possible richness that was lost.

An analysis of the last three columns, which analyse the consistency with the central canons of grounded theory, produces a result similar to the results in the management literature where Suddaby (2006, p. 640) claims about submissions to the *Academy of Management Journal* that: "... the term 'grounded theory' was interpreted to mean 'anything goes'". Suddaby suggests that such contributions to the literature should be rejected by reviewers. An analysis of the 24 "grounded theory" papers suggests that many do not fit the observed canons of grounded theory and hence do not appear to be grounded theory.

An example is Barker's (1998) research which does use an inductive approach, but it is not based on Glaser and Strauss. Barker commenced with a pre-determined model and went out and interviewed fund managers and others using a ranking scale of items as part of the data collection. This is not consistent with grounded theory canons. Suddaby (2006) argues that when theoretical sampling and saturation are not used, the researcher may well withdraw early from the field and produce "simplistic output". In contrast to Barker, a paper in the same journal (Holland, 2005) shows genuine engagement with the canons of grounded theory and is firmly based in that tradition. Similarly to Barker, Wickramasinghe *et al.* (2004) uses the term grounded theory but their research appears to be a rich ethnography, unconnected with grounded theory. The reader can only speculate that the label "grounded theory" has been used as a form of legitimation of the research.

The canons of grounded theory are abandoned by researchers who collect a range of interviews and documents and then seek to build theory using what is called "grounded theory". The iterative approach to data collection and analysis, accompanied by theoretical sampling and the constant comparative method, is so central to all of the grounded theory literature (Suddaby, 2006) that it is difficult to understand how researchers would publish papers claiming to be "grounded theory" while not following the method. Grounded theorists in the field are continually seeking out disconfirming cases and constantly comparing to develop new theoretical codes. *Ex post* data analysis is not grounded theory. The paper by Gibbins *et al.* (1990) is another case of using a traditional sampling plan instead of shaping "... their data collection from their analytic interpretations and discoveries" (Charmaz, 1994, p. 96). In contrast Covaleski and Dirsmith (1983, p. 324) follow the grounded theory tradition: "... as data were collected, coded, analyzed and related to the emerging theory in an interactive fashion".

Covaleski and Dirsmith provide an exemplar of authors who focus on the method used rather than using the label of grounded theory method. Covaleski and Dirsmith (1988) appear to have many of the characteristics of grounded theory. The outcomes used from one interview were used in another so that an iterative process of theory development was used. However, no process of theoretical sampling was used. The authors do not use the grounded theory label at all but suggest that it is "qualitative, naturalistic research" and explain thoroughly the research approach used, rather than

a passing mention of grounded theory. They are concerned with the issue of validity, and specifically whether their prior conceptions have moulded their thinking rather than the views of the 110 interviewees. They believe that they represented the “intensity” of the views of the respondents but leave it to future research to corroborate their findings.

The analysis from the table suggests that research using grounded theory method in accounting is not remaining consistent with method. It would be preferable if the label “grounded theory” was not used for work which is inductive but does not follow the central canons of the method (Suddaby, 2006). Suddaby argues that such work should be rejected from publication at least until the authors clarify their method. Grounded theory and qualitative methods are not the same thing, yet as Wilson (2002, p. 484) observes, there are writers who use the terms as if they were interchangeable when they “ought to know better”. The grounded theory label provides no legitimacy in itself and distracts researchers from being more precise about their methods of data analysis.

Stern demonstrates that this problem arises because of poor mentoring and learning grounded theory from a book. Perhaps, it is time that accounting researchers went back to the tradition of grounded theory, which has been kept alive in the health sciences, and rediscover grounded theory. Locke (2001) notes that most management theorists cite no more than Glaser and Strauss (1967) and Strauss and Corbin (1990) and ignore the rich discourse about grounded theory.

On a more constructive note, an example, although incomplete, of good grounded theory write-up in the accounting literature is Greenhalgh (2000). It is one of the few grounded theory studies in accounting which unambiguously states that data were collected and analysed and a new interview protocol developed. The author uses a form of grounded theory where the researcher explicates their prior biases and knowledge and does not pretend to possess a tabula rasa. It is unusual in that there appear to be only two interviewees and the benefits of theoretical sampling are lost.

A recent addition to the accounting literature (Efferin and Hopper, 2007) provides a possible exemplar. The method is explored in a footnote for the reader who needs stronger confirmation. The authors are honest in admitting that they have not used grounded theory method but have decided to use the techniques of data analysis developed within grounded theory.

Even if all of the problems of the lack of consistency with method were addressed there are still issues relating to grounded theory being the dominant research method for qualitative research in accounting. These are explained in the next section.

4. Issues with the continuing use of the grounded theory approach

Although grounded theory has been put forward as a useful technique for “filling a potential gap between positivist and critical theory research methodologies” (Parker and Roffey, 1997) there are reasons to believe that this is not an all embracing approach for interpretivist researchers. Qualitative research methods abound with approaches to methodology and method that may be much more appropriate for much interpretive research rather than continuing to use grounded theory.

Fundamental to the adoption of grounded theory is the need to match the method with the ontological and epistemological beliefs of the researcher (Annells, 1996). The very nature of the Strauss and Corbin paradigm model may make it attractive

to positivist researchers who are attracted to a highly procedural approach, with little empathy for the philosophical tradition from which it has been derived. Researchers whose background is in phenomenology or ethnography can distort grounded theory and carry over their previous beliefs (Stern, 1994; Benoliel, 1996; Suddaby, 2006).

Grounded theorists have made a point that as the origins of grounded theory are in sociology rather than psychology, the research “questions” addressed by grounded theory are questions of process, and therefore is more appropriate to “how” questions, rather than the social psychological questions of “why”. Like any method, grounded theory needs to match the research question.

Another issue is that grounded theory is more likely to be useful in new situations or gaining a new point of view in familiar settings (Stern, 1980) but may not be applicable to already well-developed areas of knowledge. For example, it is unlikely to be useful in investigating participation in budgeting where the variables are robust and the methodology is well established. It would be more useful for example to explore the nature of the participation process in team-based cultures. Stern (1994) argues that trying to use grounded theory universally adds mediocre research to the literature.

In some cases there may be a problem in the use of grounded theory in accounting because of the use of the idea of an “incident”. This is satisfactory in the development of a grounded theory in the areas of sociology from which it was derived (Glaser and Strauss, 1967) but may not always be useful in the management area where the research may be seeking opinions, attitudes and reflections on a system or direction. There may not be “incidents” to comparatively compare. This is particularly important where the research becomes more longitudinal and reflective, rather than a review of social practice at a single point in time. It is acknowledged that there may be cases where the use of an incident is very important such as the break-off of a merger and acquisition and the flow on to corporate governance or an incident of a financial loss leading to management accounting system changes.

A further concern has been well expressed by Layder (1993) that the beliefs and attitudes of the actors in the organisation cannot be divorced from the social structures and historical forces in which those actors move. Yet the actors cannot be conscious of all of the social forces. The insights of the researcher may “transcend or differ from the insights of the researched” (Llewellyn, 1993, p. 239), because the researcher may draw upon the social in a way in which the researched may not. Layder (1993) attempts a form of grounded theory which more explicitly deals with context, setting and the self than just the situated activity.

The critical researcher will reflect that the grounded theorist is trying to take “a fresh start, open to the emergent” (Glaser, 1992, p. 15), a stance which is impossible. Rather than being open to emergent theory, the researcher may be limited in what they observe by prior theoretical stances and biases. The solution for the grounded theorist is to write a reflexive account, acknowledging as many pre-conceived positions and changes of positions as a result of the research process; for “The purpose of field work is not to strip ourselves of biases, for that is an illusory goal, nor to celebrate those biases . . . but rather to discover and change our biases through interaction with others” (Burawoy, 1991, p. 4). In the end the research is an account of the process under study. Other researchers with other priors will observe, record and analyse quite differently

and therefore their “insights are inevitably subjective because no knowledge is generated distinct from the observer whose reasoning and experiential powers are not uniform or determined” (Laughlin, 1995, p. 71).

5. Conclusion

Over time, grounded theorists in all disciplines have diversified their approaches. The concern of this paper is that accounting researchers appear to continue to use the label grounded theory for research which does not follow the central canons of grounded theory. They are not alone, but whereas in other disciplines there has been warnings sounded to try and reduce this, there appears to have been little action in the accounting literature.

It seems essential that accounting researchers recognise that grounded theory has developed into several different forms. This paper will help accounting researchers clarify which tradition of grounded theory they are working in. However, as a research community we must also be aware of what grounded theory is not (Suddaby, 2006). Whereas other disciplines have allowed for evolution of the grounded theory method, they have not been willing to accept as grounded theory research which is not consistent with the core canons. This does not appear to have been the case in accounting.

Accounting researchers may continue to borrow methodology and method from other fields of social science. But if they wish to transform it or not act consistently with the original method they need to devise new labels. To use the label “grounded theory” to legitimate a variety of approaches to qualitative data analysis is not helpful to developing our own research traditions. Accounting researchers need to both design their research consistent with a research approach and write it up to explicate their methods.

Transparency is a critical criterion for good qualitative research and therefore published papers should contain enough specifics that the reader has confidence in the method. A general allusion to grounded theory is insufficient. Some explication of the method used is necessary. This would include the approach to sampling, to coding and to theory building.

There also needs to be much more consciousness of the inherent weaknesses of the grounded theory approach, and a willingness to be open to attempt to overcome them. Layder (1993) has provided a template for including context, setting and self into the research, as well as situated activity, to provide a grounded theory which implicitly includes history and context. Greenhalgh (2000) has provided an example of being reflective about the inherent biases that the grounded theorist brings to the research. Grounded theory research needs to be written up in a way that the researcher uses their memos to explain how the theory developed in their mind – given that “emergence” is such a difficult idea.

Until accounting researchers build on the foundations of grounded theory and are willing to write up their method, they can hardly expect the community of scholars to take their work seriously. “Make-it-up-as-you-go-along” grounded theory will never advance accounting knowledge, not because the outcomes are not potentially thought provoking and insightful, but because the confusion in method may undermine the credibility of the argument advanced.

The rich insights to be gained from grounded theory take considerable research effort for “... the construction of such theory construction is inevitably much longer

than a more functionalist approach” (Abdul-Rahman and Goddard, 1998, p. 200). Wilson (2002) notes the impact of this on PhD candidates in particular. This effort may constrain the volume of grounded theory research in accounting as pressure increases for greater publications from academics.

Notes

1. Here I follow the definition offered by Llewellyn (1993) that methodology reflects the ontological and epistemological beliefs of the researcher, while method concerns the specific research practice.
2. Two of these papers (Covaleski and Dirsmith, 1986, 1988) are recognised by their authors, Covaleski and Dirsmith, as ethnographic and not grounded theory and one of their grounded theory papers is not cited by Parker and Roffey (Covaleski and Dirsmith, 1984).
3. Stern (1994) suggests that these differences always existed. The partnership of Strauss with Corbin made them all the more apparent.
4. These journals are: *The Accounting Review*; *Journal of Accounting Research*; *Journal of Accounting and Economics*; *Accounting, Organizations and Society*; *Contemporary Accounting Research*; *Auditing: A Journal of Practice & Theory*; *Accounting and Business Research*; *Journal of Business Finance & Accounting*; *Accounting, Auditing & Accountability Journal*; *Journal of Management Accounting Research*; *Management Accounting Research*; *Review of Accounting Studies*; *Critical Perspectives on Accounting*; *Journal of Accounting & Public Policy*; *Journal of Accounting Literature*; *Accounting Business and Financial History*; *Behavioral Research in Accounting*; *Journal of International Financial Management and Accounting*; *Abacus*; *Financial Accountability & Management*.

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