Using the Classical Grounded Theory Rather Than the Strauss And Corbin Approach in Accounting and Management Research

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Abstract: Grounded theory is an inductive methodological approach used in social sciences to achieve the objective of generating a theory. Unfortunately, when the technique is used by some researchers in accounting and management it is either incorrectly conducted or the term is wrongly applied as a label to a poorly conducted substitute. This arises from the failure to adhere to its core procedures due partly to contradictions within the main approach, ignorance and perceived difficulty in implementing the technique. This article proposes a return to the classical approach, which is less prone to confusion and contradiction. It provides a guide to how the method should be carried out in the field to produce a robust research contribution.

Keywords: classical grounded theory, accounting, grounded theory, management accounting

1. Introduction

The grounded theory approach is a popular methodology in social sciences. There are several research papers in accounting and management that have adopted the methodology, but on a closer look, most of the papers are either not following the core tenets of the approach or are merely invoking the name to justify their research approach. This is a particular concern for some accounting and management researchers such as Gurd (2008), Jones and Noble (2007) and Suddaby (2006).

The reasons for this are many, as will be discus later in the paper, but the evidence from the literature suggests that researchers in accounting and management field are abusing the approach, and this may have a grave consequence on findings that may be relied upon to influence policies and promote a particular narrative.

This paper suggests that the problem associated with using grounded theory in accounting and management research is mainly as a result of researchers using the Strauss and Corbin approach and, therefore, recommends a return to the classical approach to ensure that the theories discovered fit, work and are relevant.

2. Grounded theory approaches

Grounded Theory has had a tortuous journey since its invention by Glaser and Strauss in the 1960s with the publication of their book titled the Discovery of Grounded Theory (Bryant & Charmaz, 2007; Melia, 1996). It was published to challenge the then dominant deductive and quantitative approach to research that was viewed as the only legitimate form of research (Glaser & Strauss, 1967; Walker & Myrick, 2006). The authors were particularly concerned with the promotion of grand theories of some famous scholars to the exclusion of discovering innovative theories using inductive methods(Glaser & Strauss, 1967). Grounded theory, according to Glaser (2008), was, therefore, developed in opposition to grand theories of the time that were not necessarily grounded in data.

At the time of its publication, it was revolutionary (Walker & Myrick, 2006), and because of that it gained popularity especially within the field of sociology where it originated. The methodology was particularly popular in nursing research, which was the research area of the founders, but it soon spread to other fields including accounting and management research (Smith, 2011). The two founders of the technique have authored many books using the methodology with the most prominent one being the Awareness of Dying (Glaser & Strauss, 2005). Other books by the authors include Time for Dying (Strauss, 1968) and Status Passages (Glaser, 1971).

The relationship between the two would however become frosty after Strauss teamed-up with Corbin to write books on the methodology that Glaser viewed as a complete departure from their original conception of the approach (Glaser, 1992). Other scholars also agree that Glaser's approach is closer to the classical approach (Bryant & Charmaz, 2007; Cooney, 2010; Heath & Cowley, 2004) with Annells (1996) suggesting that the Strauss and Corbin approach has changed the philosophical underpinning of the approach to a constructivist paradigm,

a paradigm that allows the conscious participation of a researcher in constructing knowledge. Similarly, Bryant (2009) stated that:

> *'anyone seeking to use GTM simply from a reading of BQR [Strauss and Corbin: Basic of Qualitative Research (1990)] would have departed significantly from the ideas put forward, albeit in a highly nuanced manner, in Discovery, Awareness and Time; and in so doing would have been in danger of losing much of the richness and promise of the method'.*

The Straussian school is, however, apparently more popular in the accounting and management literature given the number of articles using the approach (Jones & Noble, 2007). This may be because of the subjective ontological position of the approach which is more *'compatible with contemporary thinking'* in qualitative research (Annells, 1996; Cooney, 2010 p.26; Gurd, 2008) and its structured approach that provides guides on how to conduct data analysis (Cooney, 2010; Denzin, 1988), although some of the criticisms are because of the structured approach of the Straussian method (Glaser, 1992; Melia, 1996).

However hard Glaser tried to refocus the attention of researchers to the classical approach through publishing a series of books (Glaser, 1978; Glaser, 1998, 2001, 2005a, 2005b, 2008, 2012) and writing rejoinders (Glaser, 1992, 2002), it seems the more the constructive approach kept on gaining momentum probably because of the *'changing philosophical perspective embedded in the modification of the method by Staruus and Corbin'* (Annells, 1996 p.389) and because of the work of scholars such as Charmaz (2006) who holds a constructive philosophical position. Glaser is, however, not against using other perspective with grounded theory. In fact, he argued that grounded theory can be used by any theoretical perspective, and should therefore not be appropriated by any perspective (Glaser, 2005b).

Consequently, the two approaches are different, as summarised by Jones and Noble (2007) in the following table:

Table 1: Differences between the Glaserian and Straussian School

	Glaserian School	*Straussian School*
Emergence and researcher distance	*Everything emerges in a Grounded Theory – nothing is forced or preconceived. Researchers are distant and unknowing as they approach the data, with only the world under study shaping the theorising*	*1987, 1990, 1998[1]: the researcher adopts a more active and provocative influence over the data, using cumulative knowledge and experience to enhance sensitivity. Logical elaboration, and preconceived tools and techniques can be employed to shape the theorising*
Development of theory	*The goal is to generate a conceptual theory that accounts for a pattern of behaviour which is relevant and problematic for those involved*	*1987: conceptually dense, integrated theory development is the only legitimate outcome* *1990, 1998: Grounded Theory can also be used for developing non-theory (conceptual ordering or elaborate description)*
Specific, non-optional procedures	*The method involves clear, extensive, rigorous procedures and a set of fundamental processes that must be followed*	*1987: Grounded Theory encompasses a number of distinct procedures that must be carried out* *1990, 1998: researchers can cherry-pick from a smorgasbord table, from which they can choose, reject, or ignore*
Core category	*The theoretical formulation that represents the continual resolving of the main concern of the participants*	*1987, 1990, 1998: the main theme of a pre-determined phenomenon which integrates all the other categories and explains the various actions and interactions that are aimed at managing or handling the relevant event, happening or incident*
Coding	*Open, selective and theoretical*	*Open, axial and selective, but with the following variations:*

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[1] (Strauss, 1987),
(Strauss & Corbin, 1990)
(Strauss & Corbin, 1998)

		1987: selective coding is an "emergent" process based on continuous use of memo sorting and integrative diagrams 1990: selective coding employs the "forcing" mechanism of the coding paradigm 1998: paradigm model dropped, and an emergent process based on memo sorting is again stressed

Adapted from Jones and Noble (2007)

3. The problem

It seems that the major problem arises from labelling research as grounded theory when the researcher has failed to follow the core procedures of the approach, if he has adopted any at all. This is the concern expressed by Suddaby (2006), Jones and Noble (2007), Gurd (2008) among others on the use of grounded theory in accounting and management research. According to Suddaby (2006 p.633), for example, grounded theory is *'often used as rhetorical sleight of hand by authors who are unfamiliar with qualitative research'.* This same argument is made by Jones and Noble (2007) and Gurd (2008). Gurd (2008 p. 133) was even more specific when he said that *'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'.* Similarly, Jones and Noble (2007), identified the main reasons for the lack of adherence to the core procedures as the confusion between the two different approaches, ignorance by researchers about the methodology and defiance by some researchers. There are also inconsistencies and contradictions in the Strauss and Corbin approach which adds to the confusion (Jones & Noble, 2007).

What is interesting, however, is that most of the critiques of grounded theory reviewed so far by the author are based on research using the Strauss and Corbin approach. The Gurd (2008) study, for example, concentrated almost exclusively on papers based on the Strauss and Corbin approach, while in the study conducted by Jones and Noble (2007 p.98) only *'two of the studies (6 per cent)'* adopted Glaser's approach.

It follows that most of the criticisms are about the use and understanding of the Strauss and Corbin approach. And the reason for this criticism may lie in the suggestion that it is not necessary to develop a theory when using the methodology, and that a researcher can choose and pick the procedures to use when adopting the methodology (Jones & Noble, 2007). Even for studies that develop theories, in the end, these theories are not grounded because of lack of adherence to the core procedures of the approach (Suddaby, 2006). The formulistic and structured approach of the Strauss and Corbin also makes it more difficult to adopt (Allan, 2003; Glaser, 1992; Melia, 1996) thereby encouraging researchers to abandon some of the core procedures of the approach. This may explain why some are defiant, according Jones and Noble (2007), despite being aware of the core procedures. Some of the procedures that are ignored, according to Suddaby (2006), include theoretical sampling and constant comparison.

Furthermore, there was a much deeper problem with the Strauss and Corbin's paradigm, especially the coding procedure, argues Urquhart (2007), which added axial coding that *'introduces, in my opinion, a needless level of complexity'* (Urquhart, 2007 p. 343). The author's following observation is instructive

> *'Now I am in the interesting position of watching my graduate students be attracted to the apparent siren simplicity of the coding paradigm, agreeing to their use of it… only to see them founder on the same rocks of complexity as I did 10 years ago' (Urquhart, 2007 p.343).*

4. The classical grounded theory

The classical grounded theory is, however, a straightforward approach that has remained largely consistent over the years (Bryant, 2009; Cooney, 2010). The purpose is to discover a theory without which a study is not considered to be a classical grounded theory research (Cooney, 2010). There are also well defined procedures that a researcher must follow if he is to discover a theory that fits, is relevant, is workable and is modifiable; essential criteria for a grounded theory research. According to Glaser (1999 p. 836), *'It is grounded theory only when it follows the grounded theory methodological package'.* The discovering of the theory is also based on finding the concerns of participants and how they are resolving their concerns (Glaser, 2008). The objectives of a classical grounded theory research are, therefore, to find the main concerns of participants and generate a

theory that explains how they are resolving their main concern. Although *'Glaser appears to argue for a more objectivist-realist ontology he advocates a relatively unstructured method'*(Gurd, 2008 p. 127). This approach allows for a process that is well defined, but at the same time encouraging innovation to accommodate different position that a researcher might adopt to arrive at a grounded theory. It may appear that classical grounded theory is an objectivist approach as stated above, but Glaser argues that it can be used with any theoretical perspective and warns that constraining it to any perspective is limiting its application (Glaser, 2005b). This is in contrast with Strauss and Corbin approach that *'while ascribing to a more subjectivist position than Glaser, are much more willing to adopt a highly prescriptive and structured method.'*(Gurd, 2008 p. 127). The classical grounded theory is, therefore, more flexible as the '*Strauss and Corbin paradigm represented and still represents, a narrow way of thinking about what is being investigated*' (Urquhart, 2013 p. 20).

In addition, the concept of emergence in the classical grounded theory approach is a powerful tool for discovering theories that are relevant. Accordingly, starting a study with a preconceived research question or problem is not permitted when using the approach (Glaser, 1992), but it is allowed in the Strauss and Corbin approach (Corbin & Strauss, 1990). Preconceptions, according to Glaser (1999), produce irrelevant answers and cause researchers *'to study what was not there but what was preconceived to be there'*(Glaser, 1999 p. 841). Although *'perhaps it is hard to truly become open, but it is quite possible as GT procedures from start to finish are designed to open up the researcher and keep her/him open to the emergent and to earned relevance'* Glaser and Holton (2005 p.4). This is illustrated as follows

> '… the constant comparative process reveals these biases. AND I am also quite gratified to see that most researchers, I have worked with, take great pains to not intrude their own views in the data. In addition, the abstractions that emerge become independent of the researcher bias…' (Glaser, 2002 p. 4).

The classical grounded theory approach is, therefore, easy to use mainly because it is relatively unstructured, but it is also a rigorous approach because of the procedures that must be followed to generate a theory. There is also no suggestion to pick and choose procedures to suit the researcher's whims and caprices. In addition, since it is consistent, there is little room for confusion on what to do, and there are a lot of reference materials on how to conduct the process. Furthermore, it is a complete package (Glaser, 1999) since the procedure caters for the process from the beginning of the research to the writing up stage; there are guides for initial data collection, coding, sampling, sorting, memoing and even writing-up. Hence, researchers do not have to refer to other methodological approaches, which may introduce contradictions, when conducting their research.

The following depicts the process for discovering a theory using the classical grounded theory approach.
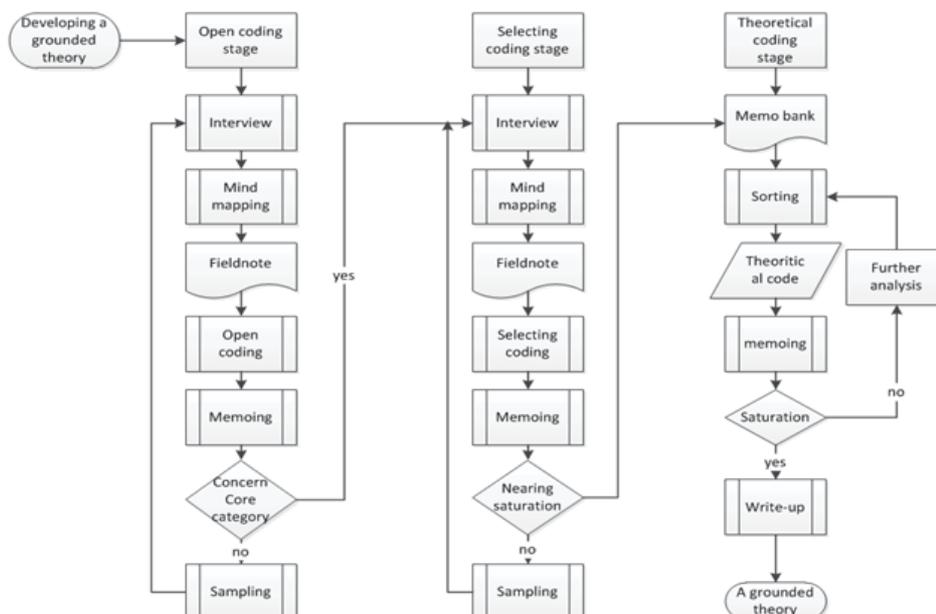
Source: Author

Figure 1: The process for discovering a theory using the classical grounded theory approach

Figure 1 shows a systematic process of conducting a classical grounded theory study from open coding, where data is analysed to find the main concern of participants and a core category that resolves the concern, to selective coding, where more data is collected and analysed to saturate the core category. Finally, a theory is generated using an appropriate theoretical code.

5. Application for accounting and management research

Having gone through the problems of grounded theory studies in accounting and management research, the classical grounded theory can be used to discover theories in the area that are relevant to practice. The approach was successfully used by the author in a doctoral study of AML compliance within the UK banking industry by studying the concerns of Money Laundering Reporting Officers (MLROs). The following is a brief overview of the research. It is included to show that a classical grounded theory approach can be used in management research, but also to show that it will be difficult to generate a grounded theory that fits, is relevant and workable by using non-classical approaches.

6. Overview of the self-protecting theory

MLROs are senior officers with significant management responsibilities, because they are in charge of the MLRO departments responsible for identifying suspicious money laundering activities within their banks and reporting them to law enforcement. Specifically, the Proceeds of Crime Acts (POCA 2002) requires a firm to identify a *'nominated officer'*, who in practice is an MLRO (Financial Conduct Authority, 2013) to receive internal reports on suspicious money laundering activities described in section 327: 329, evaluate the reports in the light of other relevant information and report it to law enforcement when the conditions of reporting are met. Importantly, firms must ensure that MLROs have the requisite authority, skill, qualification and independence to enable them perform their duties (Financial Conduct Authority, 2013; JMLSG, 2011). They should also be availed of the necessary resources that would allow him to perform his duties effectively (JMLSG, 2011).

In addition to evaluating internal reports and sending them to law enforcement, MLROs, as heads of the MLRO specialised units (Canhoto, 2008), are also responsible for ensuring that their organisation is complying with anti-money laundering laws as stated in SYSC 3.2.6 (Financial Conduct Authority, 2013). Furthermore, MLROs are also usually responsible for developing and implementing policies and procedures relating to AML, ensuring that they are communicated to all staff.

At the end of the doctoral research, a theory was generated that explains the behaviour of MLROs, which then led to the development of a framework and a recommendation for an effective and efficient compliance. The theory of self-protecting theory generated in the research explains how MLROs are dealing with their main concern of unfair pressure, from the bank, on the one hand, but mainly from the regulators, on the other.

Some of the concerns from the regulators include defective regulations, which represent regulations that are considered faulty and ineffective by MLROs, shifting expectation, which represents the continual changes in regulations and regulatory expectations and damage to reputation resulting from fear of prosecution, fine and penalties and naming and shaming strategy of the regulators, while the concerns from banks include under resources and marginal management. Under resources represents a situation where MLROs lack the time, human and financial resources to discharge their responsibilities while marginal management is a concept that represents the difficulties that MLROs face in managing employees that are outside their control.

Marginal management is peculiar to MLROs and others in a similar situation where they have to deal with several other units that may not share in their objectives of preventing money laundering. The concept is particularly applicable to management research where employees with marginal responsibility, like auditors and compliance officers, are facing conflicting pressure from management, on one hand, and regulators, on the other, mainly because of the conflicting interests between the two. The concept of *marginal management* can, therefore, be used in management research to explain the difficulty that managers face in managing people not under their direct control.

It would have been difficult to discover the self-protecting theory using non- classical approach mainly because of the effect of preconception on research. The author is convinced of this, for example, because he initially started using the Strauss and Corbin approach by formulating a preconceived research topic, i.e. *The risk-based approach to anti-money laundering compliance within the UK banking industry.* The author then decided against

it because of the implicit assumption that the risk-based approach (RBA) is a concern of MLROs. With the benefit of hindsight, it was found that the RBA is among the least of the concerns of MLROs. By going to the field without a preconceived research question, however, the author was able to discover the main concern of MLROs which was hitherto never contemplated.

Similarly, the theory would not have been discovered using a non-classical approach because the theoretical coding technique used in the research is, to large extent, absent in the Strauss and Corbin approach (Kelle, 2005). Instead of allowing a theory to emerge by using one of the so many theoretical codes available, the Strauss and Corbin approach would 'force' a researcher to follow a predetermined path (Kelle, 2005). The flexibility of the theoretical coding process visa viz the coding process in Strauss and Corbin approach was aptly captured by Heath and Cowley (2004 p.147) when they stated that '*The endless possibilities allow the theory to be discovered rather than constructed around a predetermined framework'*.

One of the theoretical codes used in the research, for example, came from a different field of studies. The similarity code discovered in the field of Islamic Finance proved to be relevant in generating the self-protecting theory. It would not have been likely to discover the theory using the Strauss and Corbin approach because of the 'predetermined framework' that would have been followed.

It is, however, too early to confirm the relevance and workability of the self-protecting theory, because *'when a grounded theory is first developed it can hardly claim this status [grounded], which can only come with time and the attention of others.'* (Bryant, 2009)*.* It is, however gratifying to state that the thesis is now undergoing a review for it to be converted into a book, which is an indication of the relevance of the theory discovered. Similarly, the theory was well received at a seminar on grounded theory attended by renowned academics with interest in classical grounded theory; Glaser (Personal Communication, June 22, 2013) even suggested that the theory is applicable to organisational studies. Furthermore, a PhD was awarded to the author based on the work.

7. Conclusion

Reading the literature on the use of grounded theory in accounting and management research, it is evident that there are varieties of issues in adopting the methodology. Some of the problems include the lack of adherence to the core procedures of the approach, confusion in the use of the methodology and inconsistency in applying it. It was, however, discovered that most of the criticisms are mainly targeted at studies using the Strauss and Corbin approach.

The use of classical grounded theory is, however, different, because it is consistent, easy yet rigorous, and effective in achieving its main purpose which is to discover a theory that explains the behaviour of participant in dealing with their main concern. The approach can, therefore, be used in accounting and management research, especially when dealing with the behaviour of accountants and managers. This is evident from the research conducted by the author on the main concerns of MLROs within the UK banking industry.

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