

PART I

Challenges and Ambiguities of Business Research

Part I (Chapters 1 and 2) explains the purpose of the book and the challenges related to doing research in business studies. It sets the scene for the rest of the book and explains its perspective, target group, and the purpose of doing research in general. It also takes up the ethical responsibilities of the researcher.

1

Introduction

Facts do not simply lie around waiting to be picked up. Facts must be carved out of the continuous web of ongoing reality, must be observed within a specified frame of reference, must be measured with precision, must be observed where they can be related to other relevant facts. All of this involves methods.

Rose and Peterson (1965: 11)

1.1 Purpose of the Book

The purpose of this book is to help students get rid of the myth that research is 'too scientific' or 'too abstract' and unnecessary in business studies. It is also intended to help them understand the language and approach of science and research. It will assist them in understanding how properly structured and argued reports can be more convincing and reliable than reports based on a random approach or on common sense. In our opinion, a scientific approach and common sense have much in common. The scientific approach, however, is a more systematic and controlled treatment of common sense. A layperson uses theories and concepts but in a loose manner. Often, people accept whatever sounds consistent with their beliefs and values: an increase in unemployment is because of immigrants or, in a business setting, the more money you spend on advertising, the more you can sell, etc. A scientific approach, on the other hand, systematically examines assumptions and hypotheses before either believing or discarding them.

We have written this book to give practical guidelines for students and researchers. It is based on our own experiences as researchers and as supervisors for numerous PhD and Master's theses, and that of many colleagues and students in business studies. The fifth edition has also been improved and expanded with help and assistance from our colleagues and students who have been using the first four editions. In this edition, particular attention has been paid to three important issues: the use of qualitative research in business studies, the impact of cross-cultural issues, and ethical issues in research. These issues are dealt with in each and every chapter. A new chapter examines qualitative data analysis, and new chapters and

sections have also been added on quantitative data collection and analysis. Moreover, several examples have been added; these are now boxed to enhance readability.

This book is designed to help students understand that a conscious (scientific) approach is the most appropriate for research and problem-solving projects in business studies. This means helping students understand that before beginning research on a project, they must be aware of what they are doing and what they are not doing. They have to clarify for themselves and for the reader the perspective they have chosen, and they must identify who should benefit from the study. In other words, researchers must learn how to formulate a problem, how to choose a particular method, and how to argue and motivate. They must also learn how to write a valid and reliable report, which is useful for the purpose of research and for managers or decision makers. We provide students and others involved in research in business studies with clear, hands-on guidelines for doing research. The book deals with the following:

- the importance of systematic research and problem solving;
- how to cope with problems associated with doing research;
- different types of research, the role of the researcher, and the importance of methods and models;
- the practicalities of research, such as problem formulation, relating the research to previous studies, choosing a suitable methodology, presenting results and findings, and drawing conclusions;
- different methods of data collection and analysis, qualitative as well as quantitative, and their advantages and disadvantages;
- which type of method is suitable for which type of research problem and conditions;
- case study research;
- the role of the researcher and ethical issues in doing research;
- how to test the assumptions necessary for the method and techniques being used, and whether these assumptions are valid: in other words, validation of methods and models and not only validation of hypotheses;
- the impact of cross-cultural (international) issues on the research process and how to handle these issues;
- the practical issues around research in business studies, providing some practical guidelines for questionnaire development, interviewing, and data analysis;
- step-by-step guidelines for report writing, the format and writing of a report as a thesis and for publication purposes;
- concrete guidelines for oral presentation.

1.2 Readership

This book is primarily meant for Master of Science (MSc), MBA, and advanced undergraduate students in business studies. It is also meant for PhD students and other researchers at the earlier stages of their research endeavours. Most schools and universities require their graduate and undergraduate students to write a thesis or a research report at the final stage of their studies. These students are the primary target for this text. Students often find the books available either too general or too narrow, dealing with only one aspect of research, such as surveys, interviews, or case studies, or else at a higher philosophical level that is often irrelevant and difficult to comprehend. This book, on the other hand, has an integrative approach and is especially adapted to research in business studies. It will also be highly useful for consultants and business people working with research projects, problem solving, and report writing. Considering the above-mentioned target groups, we have kept the language and discussion simple and accessible. A rather direct and to-the-point stance is taken and a number of examples are given to help the reader understand the point under discussion.

The book is organized in three parts: Part I (Chapters 1–2) dealing with the challenges of business research, Part II (Chapters 3–6) dealing with the research process, and Part III (Chapters 7–14) dealing with data collection and analysis, implementation, and report writing

In Chapter 2 we discuss the meaning of research with special reference to business studies. The focus here is the difference between research and practical problem solving or common sense, and the different research orientations and knowledge and skills required for research. The final part of the chapter deals with ethical issues and responsibilities. In Chapter 3 the role of theory in business research is discussed. Here the focus is on the research process and on the explanation of important concepts, such as theory, models, and knowledge. Chapter 4 deals with the research problem. It is our observation that most students of business studies face difficulties in formulating the research problem, and in differentiating between a research problem and a research topic. In this chapter we also discuss the importance of models and systematic thinking in research and the role of reviewing past literature.

Chapter 5 deals with research design and problems related to the choice of research design: how the research problem is, and should be, related to the design. Different types of research designs are presented and their use discussed. Examples are used to illustrate the importance and relevance of research design. Problems related to validity and reliability are also dealt with in this chapter.

6 Introduction

Chapter 6 handles the problems of measurement and the operationalization of research concepts and data. Measurement of empirical research is a difficult task as the quality of the results depends to a large extent upon the measurement procedures used in gathering and analysing the data. The chapter takes us through different types, levels, and scales of measurement. Validity and reliability in measurement are particularly stressed. Some guidelines are provided to improve the measurement. A special section is devoted to measurements in qualitative research.

In this new edition, data collection and data analysis for qualitative and quantitative methods have now been clearly separated and are dealt with in different chapters in Part III. While Chapters 7 and 8 deal with qualitative data collection and analysis, Chapters 9, 10, and 11 deal with quantitative data collection and analysis. Chapter 7 thus discusses data collection in qualitative research and Chapter 8 provides guidelines on designing and conducting a case study and other types of qualitative research. It discusses when to use qualitative methods and how to analyse data collected through qualitative methods such as case studies and interviews.

Chapter 9 thoroughly explains data collection methods for quantitative research methods. It explains the main methods of data collection, such as surveys. Chapter 10 discusses different ways of analysing quantitative data. It explains the role of statistics in data analysis and presentation.

Chapter 11 provides guidelines and a practical demonstration of how regression can be used for quantitative data analysis, while Chapter 12 presents a number of other techniques that can be used for quantitative data analysis. The chapter explains and gives examples of the most commonly used statistical techniques for data analysis.

Chapter 13 discusses the extra care needed in cases of cross-cultural research, as research involving an unfamiliar environment may complicate the understanding of the research problem, data collection, and data analysis. The chapter also provides guidelines for how to handle multi-country research projects. In these projects, comparability of the data and equivalence of understanding, both of the researcher and the respondents, are of utmost importance. Researchers have to be extra careful in categorization and measurement of cross-cultural data. The chapter deals with each stage of the research project, how it is complicated because of the cross-cultural setting and how each stage can be handled to eliminate items and concepts that may cause cultural bias and thereby influence the findings of the study.

Finally, Chapter 14 provides guidelines for writing a report. The process of writing up the final report is often viewed as tiresome work. The report has to be concise, consistent, and convincing. The writing style of the report is also important in order to convince the reader that the report is valid and reliable.

In this chapter the structure of reports is discussed section by section, with examples and illustrations. Guidelines for form and style, for use of footnotes, and the provision of a bibliography are also provided. Different types of reports are discussed, such as a thesis, an oral presentation, and a report written for publication.

1.3 On the Use of the Book

A thorough understanding of the objective and the role of theory in practical research is needed, so it is recommended that the reader first scans the whole text and thoroughly reads Chapters 1–5 before starting work on a business research project. When actually working on a research project, researchers should read Chapters 6–12, chapters that are relevant for the research project at hand, as this will enable them to decide which research design is the most suitable and which data collection method is most appropriate for their research problem. At this stage they can also get help on how they should go about sampling and collecting data and on which type of analysis will be the most appropriate. While conducting the actual data collection and analysis, the researcher is advised to read the respective chapter from Part III, whichever is relevant. If the researcher is working on an international or cross-cultural research, s/he should go through the chapter on cross-cultural research. Finally, before sitting down to write up the report and findings, the researcher should read Chapter 14, which provides concrete guidelines for report writing for different purposes.

An added feature in this fifth edition is that at the end of each chapter a list of further reading is provided. Researchers who want to look more deeply into a particular issue (e.g. on different opinions on the study of management, on ethical issues on secondary data, or how to handle a particular problem caused by cross-cultural data collection) can quickly look up these readings to enhance their understanding.

2

Research in Business Studies

If we have mentioned the actual results of investigation first, the reader could have labelled these obvious also. Obviously, something is wrong with the entire argument of obviousness. It should really be turned on its head. Since every kind of human reaction is conceivable, it's of great importance to know which reactions actually occur most frequently and under what conditions; only then will a more advanced social science develop.

Lazarsfeld (1959: 480), reproduced
with permission of the McGraw-Hill Companies

The purpose of this chapter is to explain what we mean by research in business studies and to discuss differences between systematic research and common sense or practical problem solving. Different research orientations are also discussed to illustrate the influence of researchers' backgrounds and basic beliefs surrounding research methods and processes. We believe that research papers or theses at the Master's level, when successfully completed, should demonstrate that the candidate can systematically handle and analyse a problem, arriving at valid conclusions. In other words, it is a professional training process through which we can learn to think and work systematically and develop analytical capabilities. The advantage of systematic thinking and analytical capability is that it contributes to accuracy and a more orderly approach and is reliable in handling research as well as business problems.

EXAMPLE 2.1

A business firm experiences declining sales and – of course – managers and employees feel frustrated. Through systematic observations and thinking, it becomes clear that the declining sales are caused by a newly introduced substitute. This results in a systematic effort to develop and introduce a new and improved product offering.

The increasingly complex nature of business operations and decision making demands a systematic and thoughtful approach. The importance of research in business studies, in schools, and in businesses has therefore

EXAMPLE 2.1 (CONT.)

increased. Practical problem solving and decision making are (or at least should be) becoming more and more similar to research. Business and marketing research are common activities in medium-sized and larger companies. And most of the decision making in these companies is based on research. For example, whether a company is launching a new product or trying to enter a new market, it has first to undertake some research to decide which segment to target, whether there will be demand for its product (sales forecast), and how to develop a marketing plan for the new product or new market. All this requires research that has to be undertaken by the company itself or by a market research company.

2.1 The Nature of Knowledge Development

Debate on the nature of knowledge is not new and dates back to Plato and Aristotle and other ancient cultures; all cultures have been interested in differentiating truth from falsehood or right from wrong. Philosophers therefore often debate the conditions of knowledge, the reliability of sources of knowledge, and the limits of knowledge (see e.g. Moser et al., 1998). In this section, the idea is not to be too philosophical about knowledge development and delve into extensive debate on several ‘isms’. Our intention is instead to explain what knowledge is, how we acquire it, and how we differentiate between ‘knowledge’ and ‘mere opinion’.

We acquire knowledge on our own, in school, at home, and at work, and we believe that it is valuable to have knowledge. However, we also know that we cannot believe what everybody says and that we should have a critical approach to acquiring knowledge. In other words, we need some training in differentiating false from true or what we can believe from what we cannot believe.

The theory of knowledge is called *epistemology*, which comes from Ancient Greek *episteme* for knowledge and *logos* for theory and explanation (Moser et al., 1998). Epistemology is thus the source and the limit and the nature of knowledge. While developing knowledge it is useful to question our own assumptions in addition to *ontology* (the nature of reality) (Tsoukas and Chia, 2011). Ontology and epistemology together form research philosophies and have fundamental methodological implications (Isaeva et al., 2015). When choosing research methodologies, we draw upon different ontological and

10 Research in Business Studies

epistemological assumptions. These assumptions thus underpin our choice of methods. However, in management studies, there is no conclusive agreement on the best philosophy.

Philosophically, we cannot be certain that an individual knows what he claims to know. This is called scepticism. According to epistemology, therefore, instead of outright accepting or rejecting knowledge, we seek explanation to be sure what a particular piece of knowledge consists of and how it has been acquired. Methods of acquiring knowledge and explanations thus take a prominent role in the nature of knowledge development. Western epistemology philosophers offer a definition of knowledge that it should have three components: justification, truth, and belief. This means that propositional knowledge is a justified true belief (Moser et al., 1998), or knowledge is a justified true belief. However, it is still debated whether all three components have to be there and whether these components are acquired by sense or experience. In epistemology we use different terminology for knowledge based on sense and knowledge based on experience. Knowledge based on sense is called ‘a priori’ knowledge, while knowledge based on experience is called ‘a posteriori’ knowledge, in other words, knowledge acquired after experience. This distinction helps in the justification of known propositions.

The debate about contemporary epistemology and sense (common sense) started during the period of Bertrand Russell (1872–1970) and G.E. Moore (1873–1958). Although there is no common definition of ‘common sense’, it was believed that a common sense is the beliefs of a group of people about a certain thing. Connecting sense and experience, Russell (1972: 75) believed that ‘all knowledge that asserts existence is empirical, and the only a priori knowledge concerning existence is hypothetical giving connexions among things that exist or may exist’. However, our common sense about knowledge can change; it can be corrected or rejected with the development of knowledge.

2.2 Why We Do Research

The basic purpose of research in education is to teach students to work systematically and for them to learn to analyse issues critically before believing in them or acting upon them. However, research is essential for understanding even basic everyday phenomena that need to be handled by individuals and organizations. If we want to buy a car, we do some research, finding out which car satisfies our needs and where it is available; we compare prices at different dealers, or among different cars that fit our criteria, and so on. In the same manner, a company has to do research while making important decisions, whether it is to reorganize its structure or to

merge or take over another company (Hassan and Ghauri, 2014). Hassan and Ghauri believe that many mergers and acquisitions fail due to the fact that proper research was not undertaken while evaluating the target company or each other. Businesses these days are doing systematic research to handle their day-to-day activities (Sekaran, 1992).

Businesses are beginning to develop a strategic monitoring program to identify and understand competitors' strengths, weaknesses and overall business strategies. Any firm can establish a competitor-analysis system that provides management with essential information about a wide range of strategies that rivals are likely to pursue. The key is knowing where to gather relevant information and how to combine separate pieces of data into a coherent profile of each competing operation.

(Svatko, 1989: 59)

We really cannot take decisions on important issues unless we investigate (research) the relevant information more deeply, gathering more information on the particular aspect we are interested in. Then we analyse all this information to make a judgement about the right solution to our problem or answer to our question. In business studies we normally work with problems faced by managers and companies. For example: How to enter a particular market? What are the factors that influence performance in joint venture relationships? What are the factors that influence the successful launch of a new product? Is advertising necessary, or how much advertising is necessary to market a certain product? Would acquiring a particular company fulfil our strategic objectives? Would the ethical behaviour of a firm influence its competitive position or not? And so on.

Without research, we cannot answer the above or similar questions. As well as learning about systematic information collection and critical analysis, we also need to learn how things work, through research done by others, and then perhaps assess that knowledge to see whether it is applicable to our own problems or situations. Sometimes we need to make or suggest changes to apply what we have found to our own problems. When this process has been done by several researchers, the ideas and theories are tested. Once theories are properly tested, we can even predict the future. We can say with confidence that in this type of situation/problem, this should be the solution/answer. Research, therefore, makes our life easier, not only in business but in general. Research can thus be considered as a process of problem solving for a specific problem under specific conditions (Kuhn, 1970). The fundamental purpose of research, however, and we hope everybody can agree, is to improve social life. In business research, the purpose is to understand how and why things happen.