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## Qualitative Research in Management

Qualitative methodology provides powerful tools for research in management and business administration.<sup>1</sup> Qualitative methods are used only to a limited degree, however, universities and business schools often oppose their use and classify them as being second rate.

I argue that the limited and often incorrect use of these methods as well as the exaggerated reliance on quantitative techniques is due not only to tradition, but also to ignorance within both the academic and the business community. This ignorance concerns the theory of science as well as the choice and application of research methods and techniques.

This book is targeted toward *university students, academic researchers, and management consultants*. Although its focus is on *business* the text is largely applicable to other types of organizations and therefore also of interest to researchers in *government and voluntary, not-for-profit organizations*.

The book can provide guidance in the writing of papers and theses at different levels of a university education and an academic career. The focus is on *case study research* and the use of *qualitative methods for data collection and analysis*. It aims to make the researcher more aware of research opportunities inherent in the application of a qualitative approach. It provides answers and commentary to the question: "How do researchers relate to their object of study in order to make a useful contribution?" As a consequence the text also deals with the research *paradigms –the underpinning values and rules–* that govern the thinking and behavior of researchers.

In using qualitative methods the borderline between the *academic researcher* and the *management consultant* becomes blurred, particularly as the role of the consultant provides opportunities for intensified inquiry into the behavior of business firms and other organizations. These opportunities receive inadequate attention in the literature on methodology as well as in actual academic research.

A greater awareness of the possibilities and limitations of carrying out research by means of qualitative methods –and also via the role of management consultant– ought to lead to improvements in the quality and usefulness of academic research in business administration. In some instances, professional management consultants are intimately associated with academic research while in others there is no connection at all.

It is hoped that practicing management consultants who read the book will gain insights into their profession. The book also addresses itself to those companies and organizations that purchase the services of academic researchers and management consultants. It may facilitate their evaluation of the quality of their providers.

Case study research is becoming increasingly accepted as a scientific tool in business administration. If you want to understand in depth the mechanisms of change you need not study a large number of cases. Management consultants are involved with a limited number of cases. *Action research*, or *action science*<sup>1</sup> as it has been recently called, is one particularly exciting method that can be adopted when working with case research. Here the researchers take on the role of active consultants and influence a process under study.

Particular attention will be paid to the study of *decision-making, implementation, and change processes* within companies and other organizations.

Although both *quantitative* and *qualitative* methods are used for data collection in case studies, the latter will normally predominate in the study of processes where data collection, analysis, and action often take place concurrently. At research seminars where the manuscript for this book has been under discussion, I have been asked whether I support the quantitative, allegedly more "scientific" methods, or whether I reject them in favor of a qualitative approach. Since this book is

primarily concerned with the latter, it is often concluded that I am against the use of quantitative methods. However, I am neither a priori for nor against any methods. They should be used where they are appropriate. If they are not suitable, it is hardly scientific to provide one-sided support for one or another method, although one-sidedness is not unusual in research circles. The same applies to management consultants, who can be subject to the dictates of fashion as well as to traditional but obsolete ways of working.

The book will present conclusions from a research project based on literature on scientific theory, research methodology, management consultancy, and various management subjects, together with biographies, memoirs, and other publications written about life in business and other organizations. It is also based on my previously published study on the marketing and management of consulting services.<sup>2</sup> Finally, my own personal experience as both university professor and management consultant has had considerable impact on the research project. The research program started in 1980 and it has turned out to be a long journey, most likely to be lifelong, but with intermediate stops under way. This book is such a stop.

I have taken the liberty of writing the book in a personal manner. This is well in line with the tradition of qualitative research where *the personality of the scientist is a key research instrument*. The book is written in such a manner that it can be read by those who are not closely acquainted with scientific theory or management research. This is not to say that the book can be read without effort—neither academic research nor management consultancy are suitable fields for those who wish to lead an easy life. It is not just a matter of intellectual "understanding," though; it is as much a matter of personal maturity, judgment, common sense, and emotional balance.

The remainder of this chapter will introduce phenomena and concepts that constitute the focal point of analysis for this book.

### **Qualitative Methods Applied to the Study of Business and Other Organizations**

Books on qualitative methodology stem from sociology, psychology, education, or anthropology/ethnography.<sup>3</sup> They provide examples and cases from the study of society in general and the government sector rather than businesses. Such research may be inspiring to a manager as a concerned citizen, but not in the role of businessman. In order to enhance your understanding of research methodology in business administration you are not looking for studies of witchcraft, oracles, and magic among African tribes,<sup>4</sup> or the case of a lingering, dying trajectory,<sup>5</sup> or life in the classroom,<sup>6</sup> or how school districts use evaluative information about students' performance.<sup>7</sup> Although most methods used there and in management are in essence the same, *their application, emphasis, and significance can vary considerably*; they are dealing with human life in different types of settings, with different purposes, and from different perspectives.

Key business phenomena such as profit, market share, corporate strategy, productivity, total quality management, operations management, financial control systems, balance sheets, and so forth are rarely, if ever, mentioned in textbooks on qualitative methods. But you need this knowledge to select scientific approaches. You could not, for example, have understood life in big American corporations during the 1980s without knowledge of the impact of corporate raiders, hostile takeovers, junk bonds, and leveraged buyouts.

Although, for example, there is an abundance of textbooks on market research reviewing quantitative methods, I have actually found only one textbook focusing on qualitative methods applied to the study of consumers and other buyers of goods and services from a commercial perspective.<sup>8</sup>

Studies in management are concerned with understanding and/or improving the performance of a business. They can be made in order to give recommendations on the solution of specific problems for a specific company or industry. We are then dealing with *applied research*, which is close to consultancy. In contrast, *basic research* is concerned with theoretical and philosophical relevance and the long-term and general advancement of management disciplines.

The cases and illustrations referred to in this book concern issues in organizations and their economic environment. Even if the management issues are primarily associated with private businesses they should be of significance to the government and voluntary action sectors. During the 1980s, the government sector –central, regional, and local– has become increasingly interested in learning from private industry, mainly from service companies as the government sector was once intended to be of service to its “investors,” the citizens. The methods dealt with therefore apply in both sectors although institutional differences –finance through taxes, the dual management by politicians and administrators, frequent monopolies, and so forth– partially create a different mode for application.

The connection between the private and the government sector is clearly visible in the *perestroika* and *glasnost* introduced by Soviet Premier Gorbachov. It is not only an issue for the communist and ex-communist planned economies; Gorbachov is a “turnaround CEO” on the largest scale ever heard of.<sup>9</sup> Royal Dutch Shell, the biggest company in the world, has 700,000 employees; “Soviet Union, Inc.” has 250 million plus another 150 million in “subsidiaries.” In quality management there is talk of “the hidden firm,” existing within every company and specializing in producing nonquality.<sup>10</sup> Although we may hate to admit it, “East Germanies” are hidden in western businesses and governments as well.

*Deregulation* is a western *perestroika* strategy for improving the performance of organizations and whole industries. “The most drastic discontinuity in the history of any major U.S. industry”<sup>11</sup> is the break-up of AT&T –the American Telephone and Telegraph Company, “Ma Bell”– into several companies with different ownership. In a similar vein British prime minister Margaret Thatcher’s advocacy for *privatization* has taken the form of a sellout of such organizations as British Telecom, the gas and electricity utilities, and the British Airport Authority that runs London’s Heathrow and other airports.

### **Academic Researchers and Management Consultants–Both Are “Knowledge Workers”**

We have long heard that agriculture and manufacturing will employ fewer and fewer people while services, the “third wave”<sup>12</sup> in the development of society, are gaining. In most western nations today two thirds of the work force is employed in services.<sup>13</sup> Both academic researchers and management consultants are in professional services; they are “intellectuals,” “knowledge workers,” or even “gold-collar workers”; they belong to “knowledge-based organizations,” a subset of the service economy.<sup>14</sup>

Knowledge, along with information, is a particularly nebulous word, and yet we use it every day. There is a special branch of the philosophy of science, epistemology, that poses the question: Can knowledge exist? Three schools of thought give the answers yes (dogmatism), no (agnosticism), and maybe (skepticism). Although Chapter 4 will question the existence of the ever-so-popular “fact,” I will have to take the existence of a fuzzy phenomenon called knowledge for granted. Even if this fuzziness is somewhat frustrating we will probably keep working whether we are academic researchers or consultants–not in the least to pay telephone bills and mortgages; those are certainly for real.

The knowledge-based organization is characterized by:<sup>15</sup>

- A significant portion of its activities consist of problem solving and nonstandardized production, but routine handicraft is also necessary
- Production of interesting and novel ideas, approaches, solutions, and recommendations
- Strong reliance on the individual and a high degree of independence and integrity
- Creativity, both individually and in the organizational setting
- Ability to communicate the results to selected audiences

This is general to all types of knowledge-based organizations so in this respect researchers and consultants are similar. It is, however, a description on a fairly high level of abstraction. Climbing down the ladder toward more concrete behavior, differences begin to occur. The similarities and

the differences as well as the symbiosis between academic research and management consultancy will be treated in this book.

Knowledge workers populate all organizations in greater or fewer numbers. They are found in business school research programs, on management teams, in pharmaceutical laboratories, and in other R&D departments; they could be computer systems analysts, chefs at gourmet restaurants, or specialists at the New York Stock Exchange. There are many types of consultants apart from management consultants: advertising agencies, accountants, lawyers, consulting engineers, and so forth.<sup>16</sup> In the present context we will be dealing with *management consultants*, sometimes called business consultants, that is, consultants who have been brought into a company to work on problems that concern the management of the whole company or its different functions. But the text is also relevant to related professions. For the sake of brevity, the term *consultant* will be used here to refer to a management consultant, and *researcher* used as an abbreviation for academic researcher.

"Practitioners," that is consultants and their clients—"the no nonsense men of action"—would undoubtedly characterize discussions on theory and methodology as "theoretical," which for them is synonymous with impractical and of little use in business life. I would like to illustrate the practitioner-scientist relationship by quoting from the memoirs of Sune Carlson, member of the Nobel Prize committee for the economic sciences, former United Nations chief economist, and professor of management:<sup>17</sup>

In the early 1960s—a quarter of a century after I had completed my university studies—I joined the board of AGA [a major international corporation specializing in gases] and participated in decision-making on foreign investment and different types of international financial operations. For a number of years, I did not really understand what we were doing, nor, I felt, did anyone else. There was certainly no shortage of facts; there was an abundance of available data. However, I lacked a theoretical system that would have permitted me to arrange and structure these data. I was forced to sit down and work out for myself a purely mathematical theory for decisions on international investments. It was in this way that I came to write my book on *International Financial Decisions* and to understand what we were doing at AGA. As Eli Heckscher often said: "There is nothing as practical as good theory."

Academic researchers in management frequently work with companies and governmental organizations to help them improve their operations. Thus they become management consultants. Professors are often allowed, even urged, to spend a day per week as consultants. They are frequently engaged on surveys and in-house seminars; sometimes also as advisors to management. A major rationale for such engagements is that the scientists get continuous insights into the "real" world as opposed to the academic ivory tower. The consulting experience not only provides input for research but also stimulating and "live" cases to be used in the classroom.

There are both similarities and differences between academic research and management consultancy, however. Those similarities and differences should be laid bare and be understood by academic researchers as well as by consultants. If they are not, professors and other researchers risk providing consultancy of low quality even if what they do is approved by academic standards.

Although many academic researchers lack experience of consultancy or consultant strategy, they still like to be known as consultants. They seem to live in the belief that knowledge of academic research can be directly applied to consultancy. As one university professor said to me: "Consultancy is just a simpler form of scientific research." Businessmen and managers who enter a consulting career often seem to assume that a combination of business experience and some management model or philosophy is a satisfactory and efficient basis on which to operate as a consultant. It is sometimes assumed that consultancy experience can be quite simply converted into research by dressing it up in academic guise.

The roles of researcher and consultant and their interface are not very actively discussed. Two thirds of ah consultants in the United States work on their own or with a partner and a secretary;<sup>18</sup> the result being that professional contacts with colleagues are limited. Arthur D. Little, McKinsey & Co., Arthur Anderson, Boston Consulting Group, Bain, and other large management consultancies

provide an environment for active interchange of knowledge. Those who work in large consulting firms, however, usually associate with only a narrow group of fellow consultants. Among academic researchers scientific and methodological issues are naturally the subject of discussion. Unfortunately this dialogue frequently suffers from inadequate input of real world data and lack of practical business experience.

## **Processes of Decision Making, Implementation, and Change**

I have talked about processes of decision making, implementation, and change and stated that this book will concentrate on the work of researchers and consultants in projects related to such processes. I will now briefly describe the type of consulting or research projects in question. Broadly speaking, these projects are related to issues in corporate strategy, organizational structure, and management control systems. The processes could encompass complex turnarounds of a whole company, but they could also concern limited problems.

A company finds itself in a given situation that may be characterized in a number of different ways: the goods and services that it produces; the markets for these products; its resources, structure, profitability, financing; and so forth. As long as the company is doing well, it will have a reasonably harmonious relationship with its environment and stakeholders. But "times are a-changing" and the requirements of society, investors, personnel, and markets have to be assessed, influenced, and adjusted continuously. A company will also have more or less explicit perceptions of the future together with objectives that it hopes to achieve. This is partially a product of experience and intuition and partially achieved by more systematic approaches such as statistical forecasts, scenario writing, environmental studies, and market research. A company must accept the consequences of its decisions and ensure that they are implemented or changed as new conditions emerge.

These processes of change may be characterized as teleological processes, that is processes that lead the company toward certain objectives, the most basic and primitive ones being survival and eternal youth. In its efforts to do so the management has to ask the following question:

- \* What should the company's business mission be, and how should the company be organized and managed?

This question has given rise to a number of methods and approaches that may be characterized by the following terms: corporate strategy, marketing strategy, business concept, environmental studies, strategic planning, long-range planning, strategic management, business development, organizational development, structural changes, acquisitions and mergers, organization theory, financial management (budgeting, costing, accounting, controllership); developments within data processing and telecommunications also belong under this heading. There is a comprehensive and ever expanding literature in these fields

A company may change direction by means of a process of continuous adjustments within an existing framework of operations. Other types of changes may be more dramatic: for example, in relation to a company merger, a takeover, a changeover to new areas of production, a change of management philosophy (for example from a production-oriented to a marketing-oriented strategy), or a change in the scale of operations. Successful changes in strategy require the capacity to take a fresh look at company operations in the light of new circumstances. These changes occur within processes that raise numerous analytical problems as well as personal and emotional conflicts. They may lead to new work tasks, recruitment of new chief executives, new power constellations, and to redundancies, and so on. The primary requirement for the implementation of these changes is the introduction of a new organizational structure and a new financial control system.

Although the purpose of these changes is usually to secure the survival of the company through expansion, contraction, and improved profitability, it is sometimes necessary to find the most favorable means of closing down operations.

This is the type of environment in which I have worked as a consultant. It is the type of situation described above that I have in mind when I refer to the role of the academic

researcher/management consultant in processes of change. Two examples of such projects may be briefly described.

#### Example 1<sup>19</sup>

The company belonged to an industry undergoing a severe structural crisis. Profitability was unsatisfactory. An attempt was made structurally to regroup the company's operations. During this process of restructuring, I acted as a consultant for 18 months working closely with employees at many levels. This process can be roughly divided into the follow "steps" ("step" refers to areas of work that received greater emphasis than others at a certain stage in the process; the steps should be viewed as parts of an iterative rather than a sequential process):

- Definition of business concepts, objectives, and strategies together with decisions on these issues (February-September, Year 1)
- Proposal on new organizational structure (September-October, Year 1)
- Appointment of senior executives (October-November, Year 1)
- Detailed specification of business concepts, organization, planning, and so forth (November, Year 1-March, Year 2)
- Development of new systems of financial control (November, Year 1-November, Year 2)
- Company functioning within the framework of its new, restructured operations (March, Year 2 onward)

#### Example 2

This company was profitable and expanding, but confronted with the need to adjust to dramatic future technological changes. These changes were associated with the rapid development in electronics and the expansion of the computer industry. Strategic and organizational changes were considered to be essential to the company's survival in the future market. I worked together with about 200 of the company's staff for two years in order to establish a new strategic and organizational base for the company. The steps mentioned in Example 1 are roughly applicable to this case, also. Substantial internal marketing<sup>20</sup> efforts had also to be made, however. These were highly complex due to the size and wide geographical distribution of the company.

I have attempted in these brief accounts to describe the types of processes that I have in mind. Such processes are going on continuously in the business world. In the two examples above the scope was wide but other assignments could concern a limited task of less dramatic and shorter term changes. The descriptions also reveal some of the value judgments that have governed my actions. I have not said anything about my working methods, however, nor made any appraisal of the various approaches that have been adopted by academic researchers and management consultants. These will be dealt with throughout the rest of the book.

### **The Researcher's Number 1 Challenge: Access to Reality**

In my view the traditional research methods used in business administration do not provide satisfactory *access*. Access refers to the opportunities available to find empirical data (real-world data) and information. The ability of a researcher or a consultant to carry out work on a project is intimately tied up with the availability of data and information that can provide a basis for analysis and conclusions. The use of technically advanced quantitative methods to process data will be in vain if the empirical data is not correct. Even if the methods of collecting and processing data are sophisticated, the well-known adage "garbage in, garbage out" cannot be discounted.

Access is a question of vital importance both for scientists and consultants. It will therefore be referred to throughout this book.

## **The Researcher's Number 2 Challenge: Preunderstanding and Understanding**

The concept of *preunderstanding* refers to people's insights into a specific problem and social environment before they start a research program or consulting assignment; it is the input. *Understanding* refers to the insights gained during a program or assignment; it is the output. This output in turn acts as preunderstanding before the next task.

Traditionally, academic researchers' preunderstanding takes the form of theories, models, and techniques; generally they lack institutional knowledge such as knowledge of conditions in a specific company, industry, or market. They have seldom had the opportunity to apply their skills in an actual corporate setting. Most academic researchers in business administration have never held a position in a company where leadership, risk-taking, and responsibility for results are demanded (there are exceptions, though). Management consultants frequently have extensive experience of a particular function within a company or from general management. In this way, they also acquire specific institutional knowledge of one or several industries.

The problems of access and preunderstanding are significant. I am frequently dissatisfied with either the information available on a specific project or the extent to which other academic researchers or consultants have been able to penetrate below the surface of a certain sequence of events. It is my experience that when starting to work with a company, it is often difficult to understand the business culture in which the company or industry operates: such things as values held by employees, business terminology, general rules of procedure, and informal organization. Hence the contribution that I am able to make to the project will increase with the extent of my preunderstanding of the problem area and the project environment.

## **The Researcher's Number 3 Challenge: Quality**

The choice of criteria used to assess the quality of research and consultancy work is governed by different values. Consequently, there is a wide range of possible criteria. To some extent, the criteria used to evaluate research findings are different from those used to assess the work of consultants. Researchers must be able to substantiate their findings and produce a report in which it is possible for the reader to follow a certain line of reasoning and the resultant conclusions. The methods used are considered to be of critical importance. On the other hand, questions of methodology and report writing are often of secondary consideration in the evaluation of consultancy where greater weight is placed on the ability of the consultant to make implementable recommendations and initiate change.

Lists of quality criteria for research and consultancy—reliability, validity, objectivity, relevance, and so on—are ambiguous. Not only is the selection of criteria arbitrary, but it is also difficult to apportion weights to the criteria and then add them up to produce a final assessment. With the passage of time, I have become increasingly cautious when reading statements of university professors, journal reviewers, and promotion committees regarding what is and is not good research. As an academic judge you can easily become the victim of some particular methodological approach or current fashionable concern that curbs your view of reality.

The history of business administration abounds with examples of trendy methods and management techniques. During the past decades, there have been schools of thought in management that have asserted that quantitative, statistical studies constituted the only true scientific approach; that operations research (even called "management science") was a godsend to company decision making; that the methods of psychiatry and social psychology, packaged as "sensitivity training," "T-groups," and so forth could be used to solve relational problems within organizations; that management information Systems (MIS) would turn management into a computerized exercise; that formalized long-range planning Systems would provide a risk-free highway into the future; that everything should be viewed in terms of processes; and also the reverse—that everything should be viewed in terms of structures.

Even recent experience bears this out. For the 1990s networks, strategic alliances, relationships, and the "adhocratic" knowledge based organizations represent some of the buzzwords. The same fashionable concerns appear in packages provided by management consultants.

All of these methods deal with facets and perspectives of reality that may be highly important in relation to a specific situation. Provided that they are correctly applied, they may yield valuable insights and results. When people claim, however, that their method has universal validity or that its quality is superior to all other forms of research or consultancy, they have become subject to intellectual rigor mortis and the dictates of fashion.

The combination of research and management consultancy that involves intervention into processes of decision making, implementation, and change is known as *action research* or *action science*. But it is difficult to establish criteria for good research and good consultancy respectively that would allow the same individual to take on both roles to the satisfaction of both the academic and the business community.

### **Personal and Scientific Values—The Paradigm Platform**

This book stresses the interplay between the basic vantage points for the researchers' work—the "absolute"—and the selection of methods. It is claimed that there exists an "absolute absolute" constituting the foundation of the universe, expressed in such terms as God and pure consciousness.<sup>21</sup> I will not dispute the existence of this but unfortunately very few researchers have yet reached such a state of enlightenment. Therefore, in the practice of today's research, the "absolute platform" is subjectively chosen; upon that platform research can be carried out with varying degrees of "objectivity." Mainstream scientists who just apply "approved" methods without being aware of the subjective foundation of their activities are not scientists; they are technicians. In my experience most "workers" within the university world never get beyond the stage of technician.

Lacking an "absolute truth" from which to approach the world, we create via social consensus an absolute reference point, our *paradigm*.

The concept of paradigm was brought to the fore by Thomas Kuhn<sup>22</sup> in the early 1960s. It will be used here to represent people's value judgments, norms, standards, frames of reference, perspectives, ideologies, myths, theories, and so forth, that govern their thinking and action. In a similar sense, Fleck,<sup>23</sup> 25 years before Kuhn, used the concept of *thought style* to define shared values and ideas that scientists, often unknowingly, came to consider "the absolute truth." We can even go back to the years around 250 BC and hear Greek mathematician and physicist Archimedes exclaim: "Give me somewhere to stand and I will move the Earth."

In the field of science, a paradigm consists of the researcher's perception of what one should be doing and how one should be doing it. In other words, what are the interesting research problems and which methodological approach can be used to tackle them? For example, astronomy is considered a science by today's scientific community, whereas astrology and horoscopes are considered frauds or at least nonscientific.

The basic premises and value judgments held by the researcher and the consultant will be referred to as the *scientific paradigm* and the *consultant paradigm* respectively. The scientific and consultant paradigms are different but they could also overlap.

The subject of paradigms is often discussed in terms of an antithesis between two schools of philosophy: the *positivistic*, traditional natural science school, and the *humanistic* school. Both have many facets and names, particularly so the humanistic school. In order to avoid too much detail and confusion it will subsequently be referred to as *hermeneutics* (from Greek *hermeneuon*, to interpret). In business administration both schools of thought are influential although the academic community favors the positivistic paradigm at the expense of the hermeneutic paradigm.

To some extent, researchers and consultants are governed more by personal considerations than by a particular scientific approach or the problems confronting clients. For example, a consultant may wish to sell more assignments in order to buy a fancier car and the researcher may adopt an opportunistic approach to get tenure at a prestigious university. Such driving forces are also part of the paradigm and affect the behavior of researchers and consultants.



Kuhn's use of the term *paradigm* has been interpreted in 22 different senses,<sup>24</sup> although he himself attributes this to linguistic inconsistencies.<sup>25</sup> Nevertheless, *paradigm* will be used there as a word with a distinctive meaning that cannot be readily confused with words from everyday conversation.

Paradigm is associated with the existing foundation of science as well as with revolutionary discoveries and changes in the sciences. Periods of *normal science* are superseded by *paradigm shifts* when the established scientific norms are challenged. When our personal paradigm is attacked, we may feel threatened or excited—our "somewhere to stand" is being snatched away—and react by raising our defenses or by a frank appraisal of a new position. The breakdown of the communist concept of the centrally planned economy is such a dramatic paradigm shift that will have far-reaching effects on business globally. The story of a personal paradigm shift is well bid by Capra in his philosophical biography, *Uncommon Wisdom*.<sup>26</sup> Capra started out with a Ph.D. in physics but discovered the shortcomings of the traditional natural science paradigm as it is applied to society.

By analogy with this thinking, Argyris and Schon apply two concepts to learning in corporations:<sup>27</sup>

*Single-loop learning* is like the thermostat that learns when it is too hot or too cold and turns the heat on or off. The thermostat can perform this task because it can receive information (the temperature of the room) and take corrective action. *Double-loop learning* occurs when error is detected and corrected in ways that involved the modification of an organization's underlying norms, policies and objectives.

In other words, single-loop learning takes place within the existing paradigm while double-loop learning requires a new paradigm. During normal periods, companies work like thermostats; during periods of major changes in the financial, technological, and competitive conditions, more fundamental revisions are required. These have to start with an audit of the company's business mission, goals, and strategies, often followed by a restructuring of the whole company, new leadership, and new control systems. Both fine-tuning within the existing paradigm and major changes caused by a paradigm shift are of concern to researchers and consultants.

It is desirable that academic researchers account for their personal values, at least to themselves. It is equally desirable that consultants share their values with clients. Tornebohm points out that the "greater the researcher's awareness of his own paradigm, the better the research that he can carry out."<sup>28</sup> The authors of another book refer to the feeling of being visibly taken over:<sup>29</sup> "Quite unnoticed, we have inherited a way of seeing that prevents us from discovering our own points of departure... that we are quite willing to question the details of a process of thought but not the actual process itself."

In practice, the paradigm that governs individuals and organizations often resists identification; it becomes an invisible backseat driver. *Tacit knowing*, a term ascribed to Polanyi,<sup>30</sup> implies that we know and do things without actually being able to explain how. A sentence in my French textbook that had a slightly frustrating effect read as follows: "In France even small children speak French fluently." They certainly do, but they will not be able to articulate the structure of the French language, its grammar; it is a tacit cognitive map.

There is also the risk that we can actually deceive ourselves and others into believing that we have identified our paradigm.<sup>31</sup> Argyris and Schon<sup>32</sup> have introduced a *theory of action* in which they use two fundamental concepts. The first one is *espoused theory*, the way we claim that we think and operate; the second is *theory-in-use*, the way that we actually think and act. A consulting firm may for example state in its advertising and promotional material that senior consultants with long experience supervise the assignments (espoused theory), while in practice, young, inexperienced consultants are left very much on their own (theory-in-use). This may be deliberate deception but it could also be that the management of the consulting firm is not aware of the actual theory-in-use. They may live on a myth, that is "a way of thinking so deeply imbedded in our consciousness that it is invisible... a way of understanding the world that is not problematic, that we are not fully conscious of, that seems, in a word, natural."<sup>33</sup> In a similar spirit Habermas<sup>34</sup> says that the most important task for the social scientist is that of emancipator: freeing ourselves from conditions and

dependencies that we may so far have considered as given or fixed. He also relates this process to Freudian psychoanalysis, which seeks to lay bare individuals' subconscious motives and thereby allow them to gain control over their actions.

If academic researchers are aware of their paradigm, it is naturally desirable that they discuss it at the outset of their work.<sup>35</sup> This assumes, however, that the paradigm is static and does not change during the course of the research project. It seems quite apparent to me that I was only partially aware of my scientific paradigm when I started work on the project presented in this book. It certainly has changed during the course of my research. Consequently, and within the humanistic tradition, I will present aspects of my own paradigm as frankly as possible as the book unfolds. This may take the form of personal views expressed on different subjects. At times, this may be interpreted as "chatty," not to say egocentric. I have decided to run this risk in order to put forward certain ideas, arguments, and examples that could undoubtedly be abbreviated and presented in a more structured fashion. In their less structured form, however, they provide the reader with a more complete picture of the research process and my own conclusions.

### **Science Is a Journey, Not a Destination**

What science is, is far from clear. There are those who claim they know. In my view "scientists" who claim they know what science is are not scientists. They have stopped developing. Their search is over.

Science is continuing search; it is continuing generation of theories, models, concepts, and categories. It is realistic to view research as a journey in which each program represents a temporary stop on the way, and where each report is a point of departure for further inquiry. This may sound trivial but all the same it is constantly misunderstood. A few lines from a Sherlock Holmes story—which one I can't recall any more at one point in time represented for me a research ideal. On completing his work on the behavior of bees, Holmes states that this would be the final work on the subject and that there was nothing more to be added.

Working on the subject of scientific theory and methodology in business administration I have felt vastly inferior to Holmes. I have rather been reminded of the Chinese boxes; one opens a box only to find another box inside. A sufficient display of stubbornness can perhaps reduce the size of the boxes to a point where they can be ignored. I have felt, though, that I am approaching the world from the very smallest box, which I then open only to find myself in a larger box. The subject keeps expanding. At the same time, this process of discovery is genuinely exciting; many books in the field of scientific theory and methodology represent real challenges.

I get some consolation from reading a book on science by internationally acclaimed Finnish philosopher Georg Henrik von Wright.<sup>36</sup> Being in his mid-seventies he recently summed up the wisdom of his philosophy. The book triggered an intense debate and one critic pointed out that Georg Henrik von Wright had only grasped limited aspects of the philosophy of science and was ignorant of others.

### **Structure of the Book**

This chapter has introduced concepts and thoughts that will be used and further developed in subsequent chapters. Chapter 2 deals with access through different roles and Chapter 3 with preunderstanding and understanding. In Chapter 4 arguments for and against case study research are presented with special emphasis on action science. Chapter 5 examines the scientific paradigm and the consultant paradigm, and the quality criteria used to assess academic research and management consultancy. An action science paradigm is proposed in Chapter 6 together with a summary of the contributions from the research project on which this book is based.

The text contains references to notes, which are listed at the end of each chapter. A reference list and an index of subjects and names are presented at the end of the book.

## Notes

1. Argyris et al., 1985.
2. Gummesson, 1977, 1979a, 1979b.
3. See overviews in S. Taylor and Bogdan, 1984; Patton, 1990; and Tesch, 1990.
4. Evans-Pritchard, 1937.
5. Jackson, 1968.
6. Strauss and Glaser, 1970.
7. Alkin et al., 1979.
8. Seymour, 1988.
9. Goldman, 1988.
10. Crosby, 1984.
11. Toffler, 1985, p. 6.
12. According to Toffler, 1981, the agricultural society constituted the first wave, industrial manufacturing the second, and service/information the third.
13. For an account of this transition and its impact on business, see Quinn and Gagnon, 1986, and Gronroos, 1990, pp. 1ff.
14. See Drucker, 1989; "gold-collar worker" is a designation used by Kelley, 1985.
15. Gummesson, 1990; the characterization is also influenced by Sveiby and Risling, 1986.
16. Gummesson, 1977, pp. 43-72.
17. Carlson, 1983, p. 60.
18. Liles, 1989, p. 8B.
19. Part of this project is described to Gummesson, 1982.
20. Internal marketing is a relatively new concept that suggests that the use of know-how developed in marketing to customers (the external market) be used in approaching personnel (the internal market) with new ideas, changed modes of operation, etc. See Gronroos, 1990, pp. 221-239.
21. See Orme-Johnson, 1988.
22. See Kuhn, 1962, and his comments to his critics in a later edition, 1970, pp. 143-169. See also Lindholm, 1980, pp. 21-64; Tornebohm, 1983, pp. 349-350; Arndt, 1985, pp. 14-16. The significance of personal values for research is discussed in relation to objectivity by Myrdal, 1970.
23. Fleck, 1979 (1935).
24. Masterman, 1970.
25. Kuhn, 1970, "Postscript-1969," p. 181.

26. Capra, 1988. The conflicting paradigms of natural and social sciences and efforts to integrate the two are also treated by Zukav, 1979; Bohm, 1977, 1980; Capra, 1982, 1984 (1976); and Davies, 1984, 1987.
27. Argyris and Schon, 1978, p. 3.
28. Tornebohm, 1976, p. 37.
29. Arbnor et al., 1981, p.91.
30. Polanyi, 1962.
31. Myrdal, 1970, p. 52; Lindholm, 1980, p. 51; Molander, 1983, p. 198.
32. Argyris and Schon, 1974, pp. 6-7.
33. Postman, 1985, p. 79.
34. From a discussion on Habermas to Kalleberg, 1972, pp. 121-131.
35. Myrdal, 1970, pp. 52 and 58.
36. von Wright, 1986.