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Published version

KESSEBA, Khaled, AWOLOWO, Ifedapo and CLARK, Murray (2018). Qualitative research methodology: a neo-empiricist perspective. In: BAM2018 Proceedings. British Academy of Management (BAM).

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Qualitative Research Methodology: A Neo-empiricist Perspective

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Abstract

A commitment to empiricism is evident in much of the published research, in the business and management field, which extols the virtues of 'qualitative research' approaches. Yet just what their implicit assumptions to empiricism suggest in terms of the epistemological positioning of the research often remains problematic. It is our position that management researchers need to be more aware of the philosophical commitments they make through their methodological choices if they are to understand what they are investigating.

In this paper we argue for the importance of neo-empiricism as a distinct interpretivist mode of engagement with qualitative methods and its position as a response to the criticisms of positivism with respect to developing meaningful understandings of social phenomena is discussed. With the focus of neo-empiricism on developing theory that is grounded in observations of empirical reality, we offer two examples, from Forensic Accounting and International Joint Venture Management, to highlight the general inductive data (*thematic*) analysis processes associated with such data oriented empirical perspectives.

The main focus of the paper is to 'forefront' the role of the neo-empiricist perspective as an important interpretive approach in business and management research and to provide a basic understanding of the theoretical commitments of such perspectives

Qualitative Research Methods, Neo-empiricism, Forensic accounting, International Joint Ventures

Introduction

In the field of business and management a commitment to empiricism is evident in much of the published research which promotes the virtues of 'qualitative research' approaches. Yet just what their implicit assumptions to empiricism suggest in terms of the epistemological positioning of the research often remains problematic.

An inspection of business and management research activity shows that methodological choices concerning qualitative research are, increasingly, being valued as more meaningful in helping us make sense of social regularities in organizational contexts. In the social world these regularities, unlike the laws of nature that the natural scientist seeks to discover, cannot be generalized as social phenomena are context and time specific. They are '*the result of human activity - they are 'socially constructed' and can therefore be changed by human activity*' (Blaikie, 1993:17).

It is often assumed that as the research is '*qualitative*' it embraces a social constructionist stance. We argue, however, that through this claim for social constructionism researchers are making philosophical assumptions about the accessibility of social reality that do not align with their methodological choices. That is, the use of the term qualitative research may bring with it a great deal of philosophical baggage, which often goes unchallenged when the discussions of methodology focus on interpretative methods of qualitative data analysis.

It is our position that management researchers need to be more aware of the philosophical commitments they make through their methodological choices if they are to understand what they are investigating. For example, the use of the term subjective in research may cause confusion. When researchers talk of the subjective nature of their research, they often mistakenly take this to be subjective in the epistemological sense rather than the subjectivity of the social actors.

In this paper we, firstly position neo-empiricism as a distinct interpretivist mode of engagement with qualitative methods (Johnson, Buehring, Cassell & Symon, 2006). Secondly, we examine the theoretical perspective of neo-empiricism and its position as a response to the criticisms of positivism with respect to developing meaningful understandings of social phenomena. Finally, with the focus of neo-empiricism on developing theory that is grounded in observations of empirical reality, we offer two examples, from Forensic Accounting and International Joint Venture Management, of the analytical processes associated with such data oriented empirical perspectives (Alvesson & Skölberg, 2009).

Through these discussions we aim to highlight neo-empiricism's position as a distinct interpretivist mode of engagement with qualitative methods, to provide an understanding of the theoretical commitments of neo-empiricist research and to engage with key data analytic procedures.

Approaches to Qualitative Research

In their critical examination of management research Alvesson & Deetz (2000) usefully demonstrate that much of the interpretive research conducted by social scientists is

normative in nature and seeks to develop consensus. That is many researchers treat order production as the dominant feature of natural and social systems and as such '*the primary goal of the research is to display a discovered order with a high degree of fidelity or verisimilitude*' (Alvesson & Deetz, 2000, p.26).

The aim of such consensus oriented research is to gain an understanding of how social actors make sense of their social world and in so doing develop theoretical understanding of the social relationships. As Alvesson & Deetz (2000) argue, these are seen as existing in an external social world in '*a relative fixed state reflecting their real character*. They suggest four main classes or representations of research practice which may be aligned to the four modes of engagement in management research discussed by Johnson et al. (2006).

These four perspectives - Positivism, Neo-empiricism, Critical theory and Affirmative Postmodernism are contrasted in terms of the knowledge-constituting assumptions they entail. By examining the ontological status of human behaviour, the ontological status of social reality and of epistemology, Johnson et al. (2006), usefully, present the methodological commitments these rely on. Through their analysis it is seen that the term qualitative research is used in a broad sense to capture and encompass three distinct modes of engagement with qualitative data in management research, namely, neo-empiricism, critical theory and affirmative postmodernism.

Even though it might be suggested that many of the 'qualitative methodologies' assume some form of interpretivist agenda they do, however, entail competing philosophical commitments that rely on different ontological and epistemological perspectives and views of human behaviour. They, therefore, present different rationales for what is taken for truth and the logic for engaging with the understanding of the social world (Gill, Johnson & Clark 2010). Importantly, Johnson et al (2006) argue, therefore, that the four modes of engagement are to some degree mutually exclusive in the sense that researchers cannot operate in two modes simultaneously in the same piece of research without some fear of contradiction in terms of epistemological exclusivity. A failure to fully engage with the consequences of such epistemological issues is often a cause of confusion when researchers talk of the subjective nature of their research. Often, they take this to be subjective in the epistemological sense rather than the subjectivity of the social actors.

The term neo-empiricist is used in this paper to categorize those management researchers who assume the possibility of an unbiased and objective collection of qualitative empirical data following an inductive logic. As Johnson et al. (2006) state neo-empiricists are those researchers who use qualitative data to '*develop inductively thick descriptions of the patterns in the inter-subjective meanings that actors use to make sense of their everyday worlds and who investigate the implications of those interpretations for social action*' (p.138). Methodologies associated with such philosophically grounded views are those which use qualitative data to develop theory that is grounded in the observations of empirical realities and thus support claims for understandings that more meaningfully reflect the 'true nature' of the social order. Grounded Theory approaches, many Ethnographic studies and Case Study research might all be regarded as methodologies that adopt such an interpretive agenda. So whilst, it is not always acknowledged or even recognized by the researcher, much interpretive research is argued here to follow the logic of neo-empiricism.

Neo-Empiricism: an Inductive Research Methodology

Neo-empiricism (Alvesson & Deetz, 2000: 62) refers to theoretical perspectives that assume the possibility of unbiased and objective collection of qualitative empirical data and here neo-empiricists are seen as *'those management researchers who place a reliance upon empirical evidence as capable of ensuring objective truth yet simultaneously reject the positivist ideal of discovering laws through deploying hypothetico-deductive methods'* (Johnson & Duberley, 2003:1298). Although rival assumptions about the ontological status of human behaviour or action can be seen to differentiate neo-empiricism from positivism, Johnson & Duberley (2003) argue that, both theoretical perspectives articulate objective epistemological assumptions combined with realist ontological assumptions concerning the nature of the social world.

Neo-empiricist approaches to management research, in a similar manner to positivism, embrace a commitment to the idea that our *sensory experience of the objects of reality provides the only secure foundation for social scientific knowledge.* (Johnson & Duberley, 2000:181) They assume the key epistemic characteristic to be that of the availability of a theory neutral observational language and that researchers may objectively discover 'truths' about the social world and hence inductively generate theory about it.

Within a positivistic philosophical stance, the accessing of individuals' subjective perspectives is often considered to be inappropriate because it is presumed this cannot be done in an objective and neutral manner. In contrast, neo-empiricists argue that the *subjective realm* of the research subjects is not only important to the theoretical explanation of their behaviour but it is also possible to access it, describe it, and hence theoretically use it to explain aspects of behaviour, in an objective manner. Thus, the qualitative methods used by neo-empiricists to pursue their interpretive agenda have enabled them to increasingly assert its relevance to business and management research (Johnson & Clark, 2006). So of key importance here is the neo-empiricist commitment to *verstehen*.

Verstehen literally means 'understanding' and the Oxford English Dictionary defines it as the empathic understanding of human behaviour. In the social sciences *verstehen* is used to refer to the idea that, unlike objects in the natural world, human actions are not simply the result of external forces. Rather individuals give meaning to the world through their own interpretation of it. Neo-empiricists thus reject the idea of following a natural science methodology to research human action and suggest that we need to understand the meaning of actions from the actor's point of view. By treating human actors as subjects, rather than the objects of our observations, neo-empiricists take the view that humans have an internal subjective logic which must be understood in order to make it intelligible and it is this notion of subjectivity that is often confused with subjectivity in an epistemological sense.

Neo-empiricist researchers are concerned with accessing the research respondents' subjective logics (which may be seen as being internal and culturally derived) in order to explain behaviour. They use inductive processes that they believe may be undertaken in an objective manner so that the resulting data, the 'qualitative' descriptions are not contaminated by the researcher who, as in mainstream positivist research, remains separate from the 'objects' of research so as to produce neutral findings (Johnson & Clark, 2006). Hence, the term neo-empiricist is used for those management researchers who view the collection of qualitative empirical data as capable of ensuring objective truth in a

correspondence sense (cf. Alvesson and Deetz, 2000: 60–74), even though they reject deductive methodology in favour of the inductive generation of theory ‘grounded’ in observation. The result is a separation of the knower-researcher from his/her inductive descriptions of other actors’ intersubjective cultural experience which awaits discovery (Johnson & Clark, 2006: xxxiii).

In positivism the conceptualization of a theory neutral language manifests itself in the form of a subject - object dualism, whereby the knower (researcher) is separate from the known (the observed object of the research). In neo-empiricism the separation of the knower and the known (the dualism) is still prescribed, however, for neo-empiricists this is a subject-subject dualism., ‘a *differentiation of the knower-researcher from their descriptions [observations] of what other knowers [research participants] know so as to enable the researcher’s ability to experience neutrally, and to provide an account of the other’s organizational experience [perceptions of organizational reality]*,’(Johnson & Duberley, 2000:181)

Thus, neo-empiricist methodologies (which adopt qualitative research approaches) have a commitment to epistemic objectivity and, therefore, ‘*privilege the consciousness of the researcher who is deemed capable of discovering the ‘truth’ about the world*’ (Johnson and Duberley, 2000). That is, theoretical understanding (theory developed by the researcher to conceptualize social phenomena) corresponds to reality as it is ‘grounded’ in observations of empirical reality.

With its focus on developing theory that is grounded on observations of empirical reality and the assumptions of being able to access truth about social reality, neo-empiricism may be seen to underpin many qualitative research methodologies that follow general inductive analytical approaches (Thomas, 2006) associated with data oriented empirical perspectives. The focus here, therefore, now turns to how qualitative data collected through neo-empiricist approaches may be analysed, thematically, in order to inductively generate theory.

Example One: Performance Management of International Non-Equity Joint Ventures

The research aim was to identify factors that influence the performance management of the Egyptian petroleum non-equity joint ventures. An inductive neo-empiricism philosophical stance to engage with the research objectives was chosen. The researcher’s interest, through the analysis of key actors’ ‘rich descriptions’, was to develop an understanding of , how key business professionals working in the petroleum joint ventures in Egypt made sense of performance management.

In developing the analytical approach, data were gathered, through 10 face to face interviews, from key participants - joint ventures partners and/or their parent companies. The selected participants were purposefully chosen, from the 31 Joint ventures listed in 2015, on the basis of their rich experiences. This allowed the researcher to have a deep understanding of the challenges related to the determinants of performance management in the Egyptian petroleum joint ventures (Creswell et al., 2003).

The inductive neo-empiricism philosophical stance dictated the analysis procedure (Morgan and Smircich, 1980; Johnson and Duberley, 2000; Gill and Johnson, 2010; Miles and Huberman, 2014). As such a systematic procedure in analysing qualitative interpretive data

was followed, the starting point was through detailed readings of raw data leading to the identification of themes or models from the researcher interaction and interpretation of these data (Thomas, 2006). During and after analysing the interview transcripts, a preliminary list of some common features was identified, along with some uncommon ones. The similarities between features were categorised and considered during the analysis. Uncommon features were accommodated either by linking and grouping them with other features that were considered similar in nature or by generating a new separate category. As such, the researcher was keen to amalgamate and combine into a clear group of subcategories similar codes and then further categories to organise and reduce the huge amount of data drawn from the ten interviews. In doing so, the researcher was very cautious, when combining similar codes, not to compromise the richness and integrity of the data, whilst at the same time creating transparent links between the research objectives and the derived findings (Thomas, 2006; Braun and Clarke, 2006; Aguinaldo, 2012).

Based on a review of literature in the area of qualitative data analysis, and in particular the work of Thomas (2006, p.237), a thematic analysis was chosen. An approach that facilitated generating 'thematized meanings' across the qualitative analysis spectrum (Holloway and Tordes, 2003). Thematic analysis engages with the richness of the data. It is a method that aids the organising and describing of the data in a detailed fashion leading to identifying and reporting themes as findings (Braun and Clark, 2006; Aguinaldo, 2012). From a theoretical standpoint, thematic analysis can be easily criticised as a tool that works without any association with a specific framework (Braun and Clarke, 2006). Arguably, the research was approaching the identification of the petroleum joint ventures' performance management factors from an objectivist standpoint and that the use of thematic analysis allows flexibility through reflection on data.

During the analysis process, the researcher sub-categorised the codes that led to categories and then to themes by using a '*latent*' meaning that can easily group a number of codes. For example, most of the interviewees mentioned the issue of overstaffing in a joint venture and how that hinders performance management, they used different words to highlight the issue which appeared at the coding level. When the researcher started to sub-categorise those codes he was using a '*latent*' word "*Employment*" to capture the different angles of that specific issue whenever mentioned by the interviewees. Considering the inductive interpretivist neo-empiricist approach, the use of the '*latent*' feature or identity in sub-categorising, categorising and thematising the data is shaped by the experiences of the researcher conducting the study and performing the data analysis (Thomas, 2006).

In this research, the implementation of the analysis was carried out using 'template analysis' which concurs with and adds to the assumptions of the thematic analysis approach (King, 2012). Template analysis is considered a style of thematic analysis that allows a researcher to tailor his/her own particular study by developing a hierarchal coding framework illustrating a high degree of structure in the analysis process (King, 2012). It is similar to thematic analysis in its flexibility with a range of theoretical and epistemological stances. However, social constructionist methodologies that focus on language as a means to construct and theorise a phenomenon, cannot be accommodated by this approach.

According to Ryan and Bernard (2000, p.780) data analysis is carried out by the constant review of the entire data set. That process occurs through the extraction of codes then the

production of themes back and forth. In this research themes were '*data-driven*' and the coding was selected as a sentence copied from the interview transcript. Themes did not bear any analytical weight on the semantics or language of the text, but on the underlying views derived from the text, and accordingly, the grouping of the codes was '*latent*' and not '*semantic*'.

Following the template analysis style, it is normal to produce initial sub-categories to group the codes, leading into categories and/or themes on part of the data set, and then use them on the rest of the data set later on after testing their integrity and relevance to the research questions (Braun and Clarke, 2006; King, 2012; Brooks, et.al, 2015). The researcher found preliminary sub-categories, categories and themes from fully analysing the first three interviews, and they were used on the fourth, then the fifth, and so on, until the last interview. This process proved integrity along the whole dataset. It also informed and guided the coding of all the interviews from the fourth to the tenth, along with the template 'MS Excel' development to reach a final shape.

The template analysis style of thematic analysis allows flexibility in modifying the template to suit the needs of the researchers. It does not require a set sequence of coding, a coding structure, or the type of themes being descriptive or interpretative, like other styles of thematic analysis. It allows hierarchal coding structure supported by its flexibility. That helped the researcher to analyse the data, unlike other methods that stipulate procedures that are hard to reconcile with some researchers' studies (Brooks, et.al, 2015).

In this research, Microsoft office excel was employed to aid the analysis. In creating the data file, an excel sheet was spared for each participant's transcript, then the process of coding was equally performed on each participant's sheet. The analysis generated five levels. The first level '**CODING**' as a copied sentence or text from the interview transcript into an excel sheet cell. The second level '**SUB-CATEGORY**' was a '*latent*' word, or more, to group a number of codes with common features, the word was either derived from the text that captures the meanings of similar codes or was the closest meaning that can relate to them. The third level '**CATEGORY**' was created to group the sub-categories in order to narrow the data down, where the data was huge (64,000 words), and another level was needed to create a bigger group with related features. The fourth level was the emergence of '**SUB-THEMES**' and at that level, the themes were related to the determinants and factors affecting joint venture performance management in the Egyptian petroleum industry. However, the researcher had to group the themes into a fifth level '**THEME**' in order to organise the themes that have a similar nature relative to the research context (the Industry/Business and the Country). Those groups were factors related to the 'Managerial level' of the joint venture performance management, the 'Operational Level' and the 'Organisational Level'.

The template analysis was completely shaped and formed after the data reached its saturation, after the eighth interview. Data saturation normally occurs when no additional data is found to add or change a developed model (Glaser and Strauss, 1967). The researcher faced repetitions of answers for the interview questions with no additional information or insights that can be added.

Nine themes emerged from the analysis. Those themes shared similar features that could be grouped according to; (1) how managers assigned by the two parent firms in the joint venture manage their subordinates “**Managerial level**”, (2) how partners manage their relationship with each other (at the joint venture level as well as on the parent firms level) and. how managers in the joint venture manage their relationship with each other “**Operational Level**”, (3) the influence of the joint venture external aspects (Economic, Political, and Legal), the host country conditions when doing business in that specific country context, along with the industry environment and the overall satisfaction of partners with that form of a partnership “**Organisational level**”.

The following table illustrates the research findings according to the hierarchical coding stipulated by the template analysis style (King, 2012; Brooks et.al, 2015), and showing the three perspectives along with their themes, categories, and examples of the sub-categories.

<ul style="list-style-type: none"> 1 Managerial Level <ul style="list-style-type: none"> 2 Leadership factors <ul style="list-style-type: none"> 3 Management Skills <ul style="list-style-type: none"> 4 e.g. Coaching 2 Reporting Factors <ul style="list-style-type: none"> 3 JV Hierarchy Structure <ul style="list-style-type: none"> 4 e.g. Reporting lines 2 Staff Factors <ul style="list-style-type: none"> 3 Employees age <ul style="list-style-type: none"> 4 e.g. Age 3 Staff development <ul style="list-style-type: none"> 4 e.g. Training 	<ul style="list-style-type: none"> 1 Operational Level <ul style="list-style-type: none"> 2 Inter-partner factors <ul style="list-style-type: none"> 3 Mgmt. compatibility <ul style="list-style-type: none"> 4 e.g. Mgmt. Culture 3 Partners' alignment <ul style="list-style-type: none"> 4 e.g. Mutual Plan 3 Partners' experience <ul style="list-style-type: none"> 4 e.g. NOC/IOC experience 3 Partners' qualification <ul style="list-style-type: none"> 4 e.g. Qualifications 3 Partners' relationship <ul style="list-style-type: none"> 4 e.g. Trust, communication, conflict 2 Parent-Rep Factors <ul style="list-style-type: none"> 3 Inter-Co Culture <ul style="list-style-type: none"> 4 e.g. Parent/Rep culture 3 JV Mgmt. autonomy <ul style="list-style-type: none"> 4 e.g. Plan 3 JV Mgmt. Empowerment <ul style="list-style-type: none"> 4 e.g. Decision making 3 Mgmt. stability <ul style="list-style-type: none"> 4 e.g. Mgmt. Change 3 Mgmt. Systems <ul style="list-style-type: none"> 4 e.g. Flexibility 	<ul style="list-style-type: none"> 1 Organisational Level <ul style="list-style-type: none"> 2 Host country conditions <ul style="list-style-type: none"> 3 Bureaucracy <ul style="list-style-type: none"> 4 e.g. Delays in decision making 3 Economic-political condition <ul style="list-style-type: none"> 4 e.g. Country economic conditions 3 Employment <ul style="list-style-type: none"> 4 e.g. Overstaffing 3 Rewarding systems <ul style="list-style-type: none"> 4 e.g. Rewarding systems 2 Host country environment <ul style="list-style-type: none"> 3 Economic system <ul style="list-style-type: none"> 4 e.g. Investment atmosphere 3 Legal system <ul style="list-style-type: none"> 4 e.g. Contract 3 Political system <ul style="list-style-type: none"> 4 e.g. Political direction 2 Industry environment <ul style="list-style-type: none"> 3 Business practices <ul style="list-style-type: none"> 4 e.g. Automated audit 3 Business risks <ul style="list-style-type: none"> 4 e.g. Risk 3 Industry Politics <ul style="list-style-type: none"> 4 e.g. Political factors 3 Partners' benefits <ul style="list-style-type: none"> 4 e.g. Profitability 2 OH satisfaction w, JV <ul style="list-style-type: none"> 3 Satisfaction w, the JV <ul style="list-style-type: none"> 4 e.g. Perception of the JV
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In this first example, the general inductive approach to analysing qualitative data that underpins the neo-empiricist perspective was outlined through the use of thematic analysis following a template analytical method. In the second example the focus of neo-empiricism on developing theory that is grounded in observations of empirical reality is highlighted using cross-case analysis.

Example Two: Financial Statement Frauds: The Need for a Paradigm Shift in Accounting

The purpose of this study is to examine the perception of stakeholders within the accounting profession on how a paradigm shift to forensic accounting might reduce financial statement fraud. It explored the perceptions of accountants, practitioners, regulators and users of financial statement on how this paradigm shift might be conceptualized in order to reduce financial statement fraud.

Although in the field of forensic accounting no known research has specifically been labelled as adopting a neo-empiricist theoretical perspective, there are strong arguments to suggest that the actors' subjective realm is central to the development of theoretical understanding of fraud and its detection. Within the dominant positivist philosophical position in forensic accounting research, however, as Johnson & Clark (2006) would suggest, positivists see 'inner' subjective processes' or the perceptions of key 'actors' as unobservable. This led to the rationale to adopt an *interpretive neo-empiricist* stance as an appropriate methodological positioning for this study.

In this age of information revolution, financial statement fraud has become complex to detect (DiGabriele, 2011). The accounting profession has struggled with this problem for many years and the inability of auditors to detect these frauds has compounded the problem for the profession; as the expectation of the business community is that auditors should be able to detect fraud in the financial statement (Koh & Woo, 1998).

Hence shifting the accounting paradigm away from reporting and procedural auditing to the use of forensic accounting procedures and techniques might help reduce the incidence of frauds in the financial statement. Therefore, exploring the perception of some stakeholders within the accounting profession and users of financial statement about this paradigm shift through a qualitative research approach in a way that might bring change and restore investors' confidence back in the financial reporting process is crucial to this study and can be best achieved through 'qualitative research' methods

Data collection: The data collection technique utilized in this study was through qualitative semi-structured research interviews. The qualitative interview was used as a conversation that has a structure and a purpose and in practise it became a careful questioning and listening approach with the purpose of obtaining thoroughly tested knowledge (Kvale & Brinkman, 2015).

The concern and interest of this study was to get a detailed and deeper picture of the interviewee's perception and understanding about how a paradigm shift to forensic accounting might help reduce financial statement frauds.

The data collection was carried out in two phases.

Phase one: the first phase was a pilot study which was conducted in 2015 as part of the researcher's Master of Research in Business degree (MRES). At this stage, 8 in-depth interviews were conducted, transcribed and analysed. The findings and lessons learnt from the pilot study help shaped the second phase of the data collection procedure.

At the pilot study stage, only three categories of stakeholders were interviewed. These were External auditors, Forensic Accountants and accounting academics. There was an initial plan of including the forth category which was the financial reporting council members, but after due consultation, the researcher realised that the financial reporting council members fall into the earlier three categories. Hence, the idea was dropped.

The pilot study gave great insight on how this study should best be carried out. Based on the findings of the pilot study, a great adjustment was made to the research questions, the theoretical framework and the line of questioning. All the leading questions were corrected.

Phase two: The research questions and line of questioning were modified and another pre-test was carried out before data collection begins. The interview channels were well tested in order to give an intended result and a new category of stakeholder was considered relevant to this study. The users of accounting services were the fourth category of stakeholders that were interviewed. Those users considered were the finance directors of fortune 350 companies.

A total of 16 interviews were conducted. These were conducted via face-to-face, Skype and Face-time. All interviews conducted, after seeking the participant's consent, were audio recorded. The interviews lasted for an average of 45 minutes. The interview questions were informed from the review of literature. The researcher had a list of themes and all themes were covered during the interview session with each participant, but there was flexibility in the order of questioning.

The interviews were transcribed verbatim through www.transcribewilley.com. After transcribing each interview, the transcribed interviews were sent back to the participants for verification. This was done to make sure that there is no misinterpretation in what was said. A few typos were corrected and interview was ready for analysis.

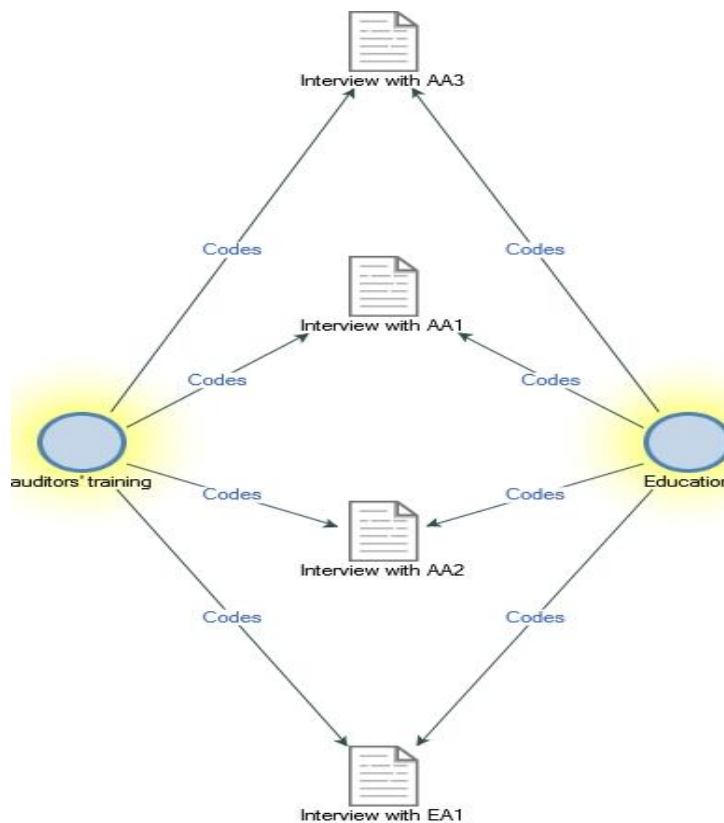


Figure 1: Cross case analysis

Data Analysis: A general inductive approach was utilized for data analysis. This approach is a systematic procedure for analysing qualitative data where the analysis is guided by specific objectives. It refers to detailed readings of the raw data, and this drives the identification of concepts, themes, or the identification of a model through interpretations made from the data by the researcher (Thomas, 2006)

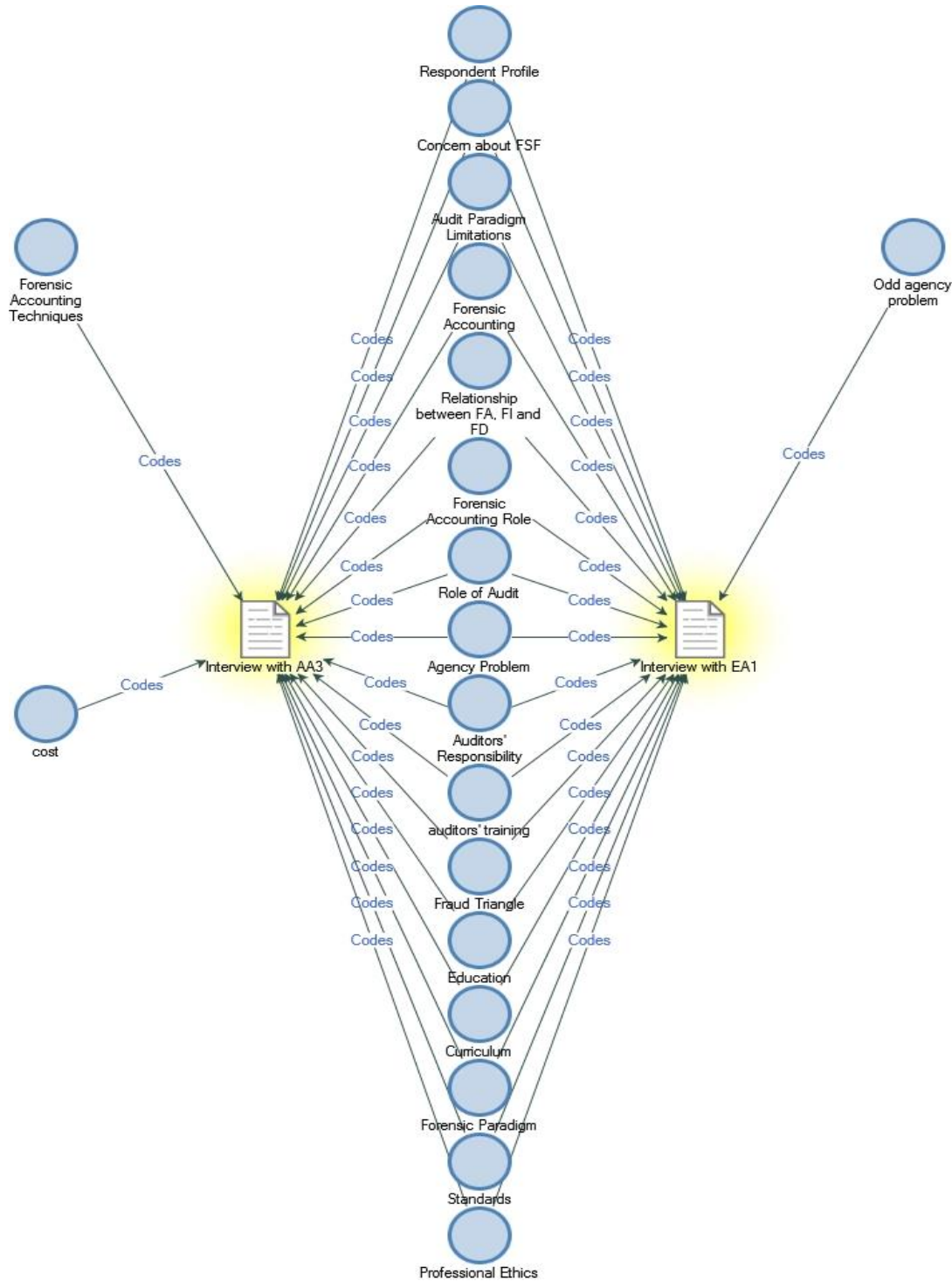


Figure 2: Nodes classification

The researcher begins with an area of study and allows the theory to emerge from the data, thus building an understanding of data analysis and theory in a manner that is consistent with Strauss and Corbin's (1998) grounded theory methodology. This research followed a systematic procedure with the aim of managing and reducing the mass of raw data through the coding and categorization of data, such that clear links between the research objectives and the findings could be derived, whilst ensuring that these links were both transparent and defensible

The process of transcribing all the interviews enabled the researcher to get very close to and familiar with the content of the data. Each transcription was read thoroughly several times and analysis was then carried out with the aid of NVivo software. Each interview response was coded separately resulting in a number of themes and sub-themes for the 16 interviews conducted. After the individual coding of interview transcripts, a cross case analysis was carried out, resulting in categorizations of the individual themes that emerged from the interview transcripts (Figures 1 & 2).

The categorization of themes allows for individual themes that are similar to be merged together. It was the process of categorization that resulted in the final themes that emerged in the study. Through classification, emerging themes was reduced to three: Auditors responsibilities, Education and Forensic Accounting. Thomas (2006) advised that most inductive studies report between three and eight main themes in their findings.

Findings to date:

Auditors Responsibilities: In all the cases explored, all the participants hold the perception that auditors have the responsibilities to detect material misstatement in the financial statement. However, there was difference in opinion on the issue of materiality. Where the fraud is being perpetrated by senior management or where there is coalition, however, it might be difficult for auditors to detect such fraud.

While accounting professionals hold the perception that auditors have the responsibility to prevent and detect fraud in the financial statements, they equally agreed that auditors are not necessarily trained to do so. They hold the view that auditors and accounting professionals should be better informed about fraud. This supports Wells (2005, p12) contention that "as a group CPAs are neither stupid nor crooked is a valid point.

This suggests that whilst auditors cannot prevent and detect fraud in the financial statements their training is not tailored towards fraud prevention and detection, thus often limiting their capacity to wage war against financial deception. This implies that what is actually lacking in the training of auditors are those elements of forensic accounting theories, knowledge, skills, procedures and that ability to act like detectives

Education: One important theme that emerged from this study is education which is comprised of curriculum and professional development for accounting majors. Wells (2005, p13) once said that "*accountants don't currently learn what motivates fraudulent conduct, how to spot the signals, how to prevent fraud from occurring and much more...as it stands now, auditors are fighting a war without being taught how to recognise the enemy. Until that changes, expect more heavy casualties*". From the empirical findings of this study, it was

observed that what has basically hinders the capacity of auditors in fraud prevention and detection as indicated above is that lack of forensic accounting knowledge, skills, and procedures.

Hence, how we educate our professional accountants particularly external auditors need to change. This change will need to start from the curriculum. The current curriculum that is utilized to trained external auditors is outdated. Therefore, there is need to include some element of forensic accounting, particularly the fraud detection part in the current curriculum.

Forensic Accounting Paradigm: In all the cases explored, there is a consensus that there is need for a paradigm shift to forensic accounting. There is agreement that a paradigm shift to forensic accounting will increase the chances of fraud prevention and detection in the financial statement.

This example has served to highlight the nature of neo-empiricist research as being reliant on the use of a theory neutral language. It positions the researcher in a privileged position from which to access the subject realms of the interviewees and hence can lead to the development of theory through the use of data orientated empirically grounded methods.

Conclusions

The main focus of this paper has been to highlight the role of the neo-empiricist perspective as an important research approach in business and management.

Many interpretive (qualitative) researchers, it is argued, may be seen to follow the logic of neo-empiricism and, by employing what they call qualitative methodology, they share with positivist researchers a number of commitments and assumptions concerning an objective view of epistemology and the notion of a theory neutral language (Johnson & Duberley, 2000; Johnson & Clark, 2006).

When researchers talk of the subjective nature of their research, they often mistakenly take this to be subjective in the epistemological sense rather than the subjectivity of the social actors. That is, for the management research an objective external reality exists and its discovery is their key focus, in such a way as to develop and 'validate' authoritative theories of social reality (Alvesson & Deetz, 2000).

Whilst, it is not always acknowledged or even recognized by the researcher, much interpretative research is argued here to follow the logic of neo-empiricism. It is the researchers' implicit assumptions about what they term subjectivity that is the key to making sense of neo-empiricist approaches. By confusing the notion of the actor's subjective interpretations, embodied through the concept of *verstehen*, with subjective epistemological assumptions researchers can find it difficult to reconcile the philosophical positioning of their research. Thus, despite, problems associated with epistemological concerns it is the engagement with knowledge and the purpose of social research that is the key to understanding how neo-empiricist stances may be seen as meaningful.

With its objective epistemological underpinnings, it is often seen as problematic with respect to the assumption concerning the ability to separate the knower researcher from the known subject. This, however, has not stopped it being one of the most common approaches to 'interpretative research designs' (although it is seldom acknowledged as such). Through a

positioning of neo-empiricism in the continuum of research methodologies, we have sought in this paper to provide a basic understanding of its theoretical commitments and through the discussion of the general inductive data analytical processes to highlight its appropriateness for theory development.

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