THEORIZING *WITH* MANAGERS:
INTEGRATING ABDUCTIVE REASONING AND METHODOLOGICAL PLURALISM

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Abstract

Much of research in industrial marketing has been based on large numbers of single, qualitative case studies and does not focus the issue of verification of theory. The empirical investigations tend to be ad hoc with little systematic attention given to advancing general theory and using general theory to inform managerial practice. We explore how theorizing *with* managers can play an important role in connecting practice with theory, thus interfacing practical knowledge with theoretical knowledge. The theorizing process we propose uses abductive reasoning and methodological pluralism to align academic and managerial thinking and bridge the traditional processes of deductive and inductive reasoning.

Keywords: theory**,** theorizing, bridging theory and practice, abductive reasoning, methodological pluralism

INTRODUCTION

Research in industrial marketing is often based on single, qualitative case studies, with little attention to the issue of empirical verification of higher level general theory that integrates knowledge about the discipline. In addition, there are issues of concern that relate to the lack of connection between general theories and managerial practice. General theories by their nature are broad in scope and, therefore, removed from the empirical world. This inevitably leads to a greater level of abstraction in terms of the conceptualizations. For example, the service-dominant logic (SDL), which is increasingly being used to provide a general theoretical perspective in industrial marketing, is expressed with ten foundational premises (Vargo & Lusch, 2008) that include key terms such as "service", "value co-creation", "resource integration", "operant resources", "operand resources" and "value networks". These terms have little meaning with practicing managers and there is a disconnection with the more concrete concepts and language that that they use.

We suggest a need for a fuller empirical investigation of general theoretical structures within industrial marketing. To achieve this, the theorizing processes needs to take advantage of the opportunities of theorizing *with* managers with regards to relevant managerial practices. This work-in-progress paper first considers the nature of theory and the process of theorizing. We distinguish between the theoretical and empirical domains and the role of middle range theories. A key consideration is focusing on the practical as well as the theoretical contribution to knowledge. Another key consideration is explicitly recognizing contexts of discovery and justification of conceptual ideas and how abductive reasoning and methodological pluralism is used to develop practical and theoretical knowledge.

Our paper builds on the stream of research in industrial marketing that has considered the interplay between theory, method and empirical phenomena in case studies using abductive reasoning (e.g., Dubois & Gadde 2002). While the abductive reasoning approach has been implicitly used in research in industrial marketing there has, with the exception of Dubois and Gadde (2002), Dubois and Gilbert (2010), and Järvensivu and Törnroos (2010), been little discussion in the literature about the abductive approach with regard to methodological issues. We explore this by examining the philosophical foundations for abductive reasoning and how it differs from deductive and inductive reasoning.

We conclude the paper by illustrating our theorizing process with two long-term research programmes that are based on theorizing with managers related to managerial practice. The first research programme involves a series 14 consortium research projects with leading industrial firms, conducted between 1996 and 2014. The second is a ten-year research programme in over 15 countries that examines changes in marketing practices of firms.[1]

THEORETICAL CONTRIBUTION

In order to consider the contribution of academic research in the management discipline, Corley and Gioia (2011) distinguished between practical knowledge that resides in the empirical domain and theoretical knowledge They suggest that there are two important considerations when evaluating contribution; the originality of the contribution, and the usefulness of the contribution. The originality of the contribution relates to the extent that the work offers new theoretical linkages that have rich potential for the domain of study. These may range from incremental new insights to extensive new insights. When examining the usefulness of the contribution of a piece of theoretical research they distinguish between

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[1] At this work-in-progress stage, the paper draws on the book chapter "Future of Theorizing in Marketing: Increasing Contribution by Bridging Theory and Practice" by Brodie (2013).

academic (scientific) contributions and contributions towards practical usefulness. This leads to a two-by-two matrix to examine contribution (Table 1).

Corley and Gioia's (2011) assessment of the articles published in the *Academy of Management Review* in the last two decades shows that most conceptual articles offer only incremental scientific insight and that the theorizing processes neglect practical usefulness. Thus they call for a broadened approach to theorizing that facilitates greater focus on providing extensive new insight and also explicitly takes into account practical usefulness. This argument is consistent with Stokes' (1997) view of the need to do "use-inspired basic research" (Storbacka, 2014).

**Table 1**: Theoretical contributions in the marketing discipline (adapted from Corley and Gioia (2011)

Substantial insight	++	+++
Incremental insight	-	+
	Academic usefulness	Practical usefulness

An initial assessment of the conceptual articles that are published about industrial marketing leads to a similar conclusion to that of Corley and Gioia. This leads us to suggest that industrial marketing research has got "*stuck in the middle*, neither being firmly based in real world data, nor reaching a sufficient level of abstraction" (Gummesson, 2004, p. 317). In the next section we examine the role of bridging theory to overcome this problem by exploring the opportunities of theorizing with managers rather about managers.

THEORETICAL AND EMPIRICAL DOMAINS

Figure 1 outlines the two domains for theorizing where the theoretical domain provides theoretical knowledge and the empirical domain provides practical knowledge. Middle range theory provides the interface between the two domains and thus facilitates the bridge between theoretical and practical knowledge.

Figure 1: Domains for theorizing
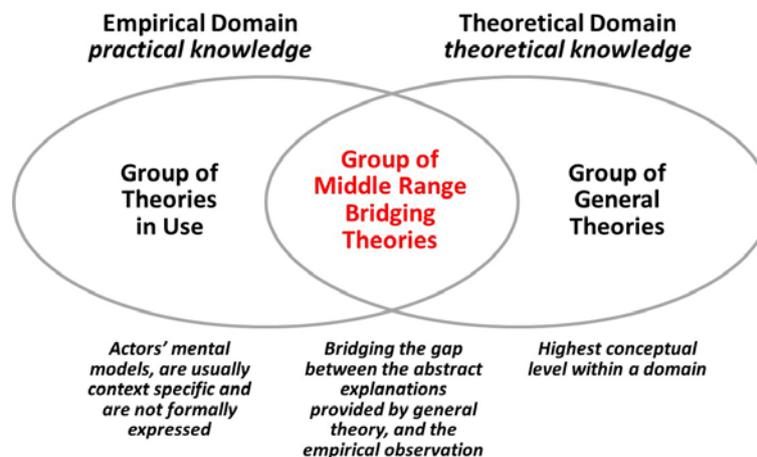
Within the theoretical and empirical domains there are three groups of theory. In the theoretical domain this group of general and grand theories. This type of theory encompasses

conceptions, which utilize a broad theory that is framed at the highest conceptual level within a domain in a discipline and also may consist of theories outside the discipline. For example SDL provides the foundations for a general theory because it is broad in scope and integrative and is expressed in five axioms and ten foundational premises (Lusch & Vargo, 2014). SDL provides a cross-disciplinary perspective and draws on other general theories with the marketing discipline and outside the marketing discipline.

Overlapping the theoretical and empirical domains is the group of middle (mid) range theories (MRT). These theories are less broad in scope and focus on specific phenomena and tend to be discipline specific. They may be expressed as a set of propositions or hypotheses that provide conceptual frameworks that explain empirical phenomena. Much of the theorizing at the middle range is within disciplines and the theories are informed by other middle range theories and empirical phenomena. In the marketing discipline far less attention is given to how MRT is informed by general theory.

Finally there is the group of theories that we refer to as "theories in use" (Cornelissen 2002). This recognizes that managers, customers, stakeholders and other actors utilize theory that relates to their individually perceived empirical phenomena. Theories-in-use may consist of the actors' mental models and they are usually context-specific and rarely formally expressed. While Cornelissen (2002) focused on the theories in use of managers we suggest that customers, stakeholders and other actors also theorize and thus should be considered. In contrast to the general theory and MRT, academics have paid far less attention to the role of theories-in-use when theorizing.

MIDDLE RANGE THEORY

The broader scope of general theories means that they need to explain a larger number of phenomena, while their integrative nature means that they serve to unify less general theories. In order to overcome the difficulty of the interface between general theory and empirical research with managers we suggest the bridging role of middle range theories needs to be explicitly considered (Brodie, Saren, & Pels 2011). As Gummesson (2014 argues: "*Academic research should strive to establish comprehensive and abstract theories in which the complex reality can be made to "boil down" to its core. In this way complexity turns into simplification that opens up for actionable mid-range theory.*"

The initial exploration of the need for more explicit consideration to be given to MRT in the social sciences came from Merton (1967) in sociology. He defines MRT as: "*…theories that lie between the minor but necessary working hypotheses that evolve in abundance during day-to-day research and all-inclusive systematic efforts to develop a unified theory that will explain all the uniformities of social behaviour, social organisation and social change.*" (p. 39)

Thus, rather than attempting to explain everything about a domain within a discipline, the theoretical focus is on a subset of phenomena, relevant to a particular context. It is concerned with explicit statements about the relationships between specific variables that that can be investigated empirically. In contrast, general theories are viewed as too broad to generate those statements (whether hypotheses or propositions). In his cornerstone article "Theory construction as disciplined imagination", Weick (1989) provides further reasons for Middle Range Theory. He states that general theories about organizations involve so many assumptions, and such a mixture of accuracy and inaccuracy, that virtually all conjectures remain plausible. He argues that self-interest can become a substitute for validation during theory construction. Thus, "middle range theories are a necessity if the process is to be keep manageable" (p. 516).

MRT does not need to be restricted to drawing on only one general theory. It takes a multiple theoretical perspective and can draw on theories outside the marketing discipline. This process may include theories from within the management disciplines and also from the social sciences (such as economics, political theory and cognitive psychology). This allows MRT to have interdisciplinary foundations, so is not constrained by single dominant general theory (Saren & Pels 2008). MRT can thus facilitate moving out the current paradigmatic 'silos' that constrain knowledge development in the marketing discipline to a multi-paradigmatic approach (Möller, Pels & Saren 2009).

CONTEXTS: DISCOVERY AND JUSTIFICATION

The importance of considering both the contexts of discovery and justification explicitly when theorizing is recognized in marketing by Hunt (1990). The argument is that for theory to advance, consideration needs to be given to how theories are conceived and developed, prior to focusing on the context of justification. Yadav (2010 p. 2) distinguishes between the two contexts:

- The *context of discovery* is related to the conception of new ideas (i.e., new constructs) or to the creative synthesis of existing ideas (i.e., new relationships between well-accepted constructs).
- The *context of justification* is the realm in which data and analytical procedures are employed to establish the plausibility and acceptability of these ideas.

Yadav (2010) then elaborates on the process of theorizing in the two contexts. The context of discovery can be seen as an *initiating theory development*; involving the definition of the problem within the domain of interest; and the development of initial ideas. Various techniques can be used, which include using analogies, leveraging an established theory to explore a new or unexplained phenomenon, moving to different levels of analysis and combining previously unconnected fields. In contrast, the context of justification can be seen as *theory assessment and enhancement*. Various techniques can be used, which include benchmarking the focal theory against well-established criteria for evaluating theories, developing theoretical enhancements to address mixed/ambiguous evidence, and identifying and addressing gaps in the conceptualizations (adding missing antecedents, mediating processes, and/or constructs).

The processes for theorizing about general theories, MRT and theories-in-use differ. For general theory discovery and justification may within the theoretical domain interfacing with other general theories or interfacing with MRT. For MRT theory discovery and justification may come from interfacing with general theory, other MRT and the empirical research. For theories-in-use the theories tend to be tacit as actors' mental models are usually context specific and not formally expressed. Because of this, little is known about the processes of used for discovery and justification.

ABDUCTIVE REASONING AND METHODOLOGICAL PLURALISM

The reasoning skill for initiating theory development (context of discovery) and theory assessment and enhancement (context of justification) involve the sequence of envisioning ideas, explicating ideas, relating ideas and debating ideas. In particular, it has been suggested that abductive reasoning plays a key role in this process by interfacing between theoretical knowledge and empirical understanding (Dubois & Gadde, 2002; Levin-Rozalis, 2004). In abductive reasoning, in contrast to deductive reasoning, the premises do not guarantee the conclusion (Magnani, 2005). Instead, the proposed premises provide a reasonable leap to the most logical explanation, one which relies on causal relations that are sufficient, but may not,

in fact, be necessary, to explain the observed phenomena. As stated by Dubois and Gibbert (2010 p. 131), when an abductive approach is used "theoretical frameworks evolve *simultaneously* and *interactively* with empirical observation". As noted by Van Mananen, Sørensen and Mitchell (2007) abduction is a continuous process taking place in all phases of the research process in the interplay of discovery and verification and where "deduction and induction follow and complement abduction as logics more suitable for the always imperfect testing of implausible theories" (p. 1149).

While abductive reasoning is usually discussed in the context of qualitative research (e.g. Coffey & Atkinson, 1996), we suggest it may also have relevance to quantitative research. In addition, because abductive reasoning seeks to develop the most parsimonious, yet plausible, explanation to a phenomenon, we suggest that the theorizing process needs to be based on a multi-paradigm perspective (Gioia & Pitre, 1990; Lewis & Grimes, 1999). Thus, competing paradigmatic and theoretical positions should be a "cause for celebration", because they offer the opportunity to use methodological pluralism to examine the social world from different perspectives (Bryman, 2008).

The case for adopting methodological pluralism in academic research in the marketing discipline has been made by a number of scholars. For example Foxall (1993) argues for the need to develop marketing as a multi-paradigm science based on methodological pluralism. Tadajewski (2008) also emphasizes the importance of a philosophical and methodological approach based on methodological pluralism. In industrial marketing Matthyssens and Vandenbempt (2003) and Järvensivu and Törnroos (2010) argue the need for methodological pluralism to get the right balance in theory building and theory testing. Our experience of theorizing with manager has also resulted in the use methodological pluralism.

ABDUCTIVE REASONING AND THEORIZING *WITH* MANAGERS

In order to theorize with managers about management practices, explicit attention needs to be given to the empirical domain. Within the empirical domain (Figure 1), practical knowledge is based theories-in-use by managers. Thus, there is the need understand the reasoning processes used. Cornelissen (2002) highlights the important role of what he refers to as reflective managers in facilitating academics' understanding of theories-in-use and in bridging empirical and theoretical domains. Our research suggests the theoretical reasoning processes of reflective managers are inherently abductive.

IMPLICATIONS FOR WORK IN PROGRESS

At this "work-in-progress" stage the paper addresses the issue of increasing theoretical contribution of industrial marketing by having a fuller empirical investigation of general theoretical structures and by bridging theory and practice. To achieve this we explore the integration of abductive reasoning and methodological pluralism that involves theorizing. The paper provides the building blocks to show how theorizing with managers can play an important role in connecting practice with theory, thus interfacing practical knowledge with theoretical knowledge to ensure that the research contribution comes from providing both theoretical and practical insight.

As the paper develops we will further elaborate how abductive reasoning and methodological pluralism can be used to theorize *with* mangers about managerial practices in theory discovery and theory justification. This is demonstrated by examining two research programmes that have contained theorizing with mangers about managerial practices and have used adductive reasoning and methodological pluralism. The first research programme involves a series 14 consortium research projects with leading industrial firms from 6

counties, conducted between 1996 and 2014, and involving between 8-20 firms in each consortium. The second is a ten year international research programme in over 15 countries that examines the changes in marketing practices.

The plan for further developing the paper is first to continue our literature review to strengthen the argument for integrating methodological pluralism and abductive reasoning into the theorizing process, paying particular attention to the philosophical foundations of abduction as opposed to deduction and induction. Finally, we conclude our investigation by discussing how to assess and communicate the quality of research that uses multiple methods and abductive reasoning.

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