RESOLVING STRUCTURE-AGENCY DICHOTOMY IN MANAGEMENT RESEARCH: CASE FOR ADAPTIVE THEORY RESEARCH METHODOLOGY

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ABSTRACT

This paper argues that adaptive theory research methodology can resolve structure-agency issue related to management research methods. Management phenomena are part of the social reality that is produced by continuous, circular process whereby individual behaviour (agency) creates social structure that in turn shapes individual behaviour. Quantitative research overemphasises structure whereas highly qualitative research overly focuses on individual subjectivity or agency. It is argued that in order to have a holistic understanding, both structure and agency aspects of a phenomenon need to be studied in a single research project. The paper explains the philosophical underpinnings of adaptive theory and then illustrates using experience of a recently concluded adaptive theory-based research, useful guidelines for application of this research methodology.

Keywords: Adaptive theory, research methodology, structure-agency issue, critical realism

Research methods in management can broadly be categorised as either objective or subjective. Using the concepts of subjectivity and objectivity as two extremes of a continuum, subjective or objective inclinations of research methods can be identified (Arbnor & Bjerke, 1997). Objective research methods that are alternatively called as quantitative, positivistic or hypothetico-deductive are derived from objective research ontology (objective paradigm). On the other hand, subjective research methods (qualitative or post-positivistic) are derived from subjective ontology. The former approach has been the dominant research paradigm in management for decades (Arbnor & Bjerke, 1997; Pfeffer, 2007). However, due to severe criticisms of positivistic research methods (Combs, 2010; Schmidt, Hunter, & Urry, 1976; Vermeulen, 2005), there have been calls for alternative research methods that can better explain organisational issues interwoven with deep-rooted socio-psychological, cultural and historical factors (Bamberger, 2008; Vermeulen, 2005). As a response to these calls, management researchers have started to use mixed methods that combine quantitative methods such as surveys with qualitative methods such as in depth and focus group interviews (Scandura & Williams, 2000). Mixing methods for the sake of having mixed-method approach tends to pose ontological controversies, for instance, an objective ontology-based research using subjective data (Layder, 1998). These types of mixed-method researches, while they tend to appear as if they
were well triangulated, are handicapped by the problem of divorce between ontology (researcher’s assumption about reality) and epistemology (the way the researcher obtains knowledge).

Agency-structure dichotomy (Bamberger, 2008; Waters, 1994) can be used to judge if a chosen set of methods are appropriate to conduct a research given the nature of research problem being investigated. It is said that our individual behaviours (human agency) tend to form the social structure which in turn reshapes our individual behaviour (Giddens, 1979). This can be viewed as a circular process shaping and reshaping each other. Both these aspects of a social phenomenon need to be studied concurrently in one research project in order to have a holistic understanding of a phenomenon. Research that is solely based on surveys tends to be overly biased toward structure while highly individual subjectivity-based research approaches such as grounded theory method are biased toward (human) agency. In order to have an accurate representation of reality, both social structure and human agency need to be combined. Highly positivistic research is criticised for its over reliance on structure (Glaser & Strauss, 1967) whereas, overly subjective research methods such as grounded theory are criticised (Layder, 1994) for their over reliance on individual subjectivity (agency).

Given the issues of agency-structure imbalance and ad hoc mixing of methods to have mixed method approach, this paper argues that the Layder’s adaptive theory research methodology can be used to overcome these issues. Using my recent experience of applying adaptive theory to study duality of traditional and modern management controls in a transitional society in a South Asian developing country, I endeavour to explain the versatility of this research methodology. The rest of this paper is organised in five sections. Next, ontological and epistemological underpinnings of research methodology are explained. This is followed by a review of agency-structure dichotomy and of critical realism and adaptive theory. Then, by drawing from recent experience of conducting an adaptive theory-based research, the paper presents step-by-step guidelines for the application of adaptive theory methodology. Finally, the paper sums up with a conclusion.
ONTOMETRY AND EPISTEMOLOGY UNDERPINNING RESEARCH

METHODOLOGY

According to ancient Vedic philosophy (Indian), production of knowledge is essentially a triadic interaction among three things; the knower, the known and the process of knowing (Gummesson, 2000). Conversely, the relationship between the researcher, the phenomenon being studied and the methodology of investigation are critical to the production of knowledge in any field or discipline. The ontology, ultimate presumptions about the nature of reality being observed, essentially shapes the epistemology, which is the science of obtaining knowledge, and the methodology (Arbnor & Bjerke, 1997). The purpose of any research, in general, is to understand and explain reality or the world around us. The world or reality may be divided into two broad categories namely, the natural world and the social world. Natural world disciplines include, for instance, physics, chemistry and biology. The discipline of management predominantly lies in the social world and therefore, the purpose of management research should be to understand and explain (Arbnor & Bjerke, 1997) this social reality relating to organisations and their management.

Before starting to understand social phenomena, a researcher needs to have a set of ultimate presumptions about the nature of the subject matter to be investigated. These presumptions relate to the essence of things such as the nature of reality, the nature of human beings, and the nature of organisations. For example, reality can be assumed to be either objective or subjective. If an objective world is assumed (objective ontology), the process of obtaining knowledge (epistemology) about this world should be different from that of a process designed to obtain knowledge about a subjective world. Objective research (quantitative) uses Poperian falsification or hypothetico-deductive epistemology (hypothesis testing) that usually includes methodological approaches such as objective responses obtained through questionnaires and experiments. Positivistic research methodology holds that social phenomena can be studied by applying research methods that are used to study natural science phenomena. As a result, the use of statistical rigour has become indispensable in justifying the findings of social phenomena.
On the contrary, subjective ontology pertaining to organisational phenomena involving intricate human relations holds that reality is subjective and it is socially constructed by each social actor (Arbnor & Bjerke, 1997; Chua, 1986). Accordingly, there is no ‘objective reality out there’ for us to seek for objectively. Organisations and their human relations are socially constructed by meanings attached to each social action of a social actor (Arbnor & Bjerke, 1997). In order to understand phenomena emanating from a subjective reality, a researcher has to apply an epistemology which may include actors’ approach that enables construction of meaning from social actions of managers or workers. Essentially, research methods should be inclined towards in-depth-interviews, focus group interviews and observations. Unlike in positivistic research approach, researcher biasness is not problematic for subjective methodology (Guba, 1981; Hopper & Powell, 1985). In fact, the researcher’s interpretation of reality is an important part of the research process and it is not a weakness (Baxter & Chua, 1998). The problem of generalisability (claiming that characteristics of the observed sample will prevail in the population) is not relevant. In positivistic research (quantitative), the findings need to be generalised with the aid of statistical techniques. In qualitative research, the generalisation comes from theoretical generalisation and not from statistical generalisation (Guba, 1981; Guba & Lincoln, 1982). Theory, here, means overarching social theories that describe universal human phenomena.

Social reality that a researcher endeavours to understand is assumed to be socially constructed with multifaceted meanings given by actors (people involved). Thus, a researcher with subjective ontology tries to connect different meanings from key social actors (organisational participants such as managers and employees) to form his understanding of the real problems. Subjective reality is considered value bound (embedded with the subjectiveness of the researcher) and it is context specific (Hopper & Powell, 1985). Thus, it is practically impossible to isolate the observed (phenomena) from the observer (researcher). Organizational actors (managers, employees etc.) from different social settings operate within the boundaries demarcated by their own images of organisational and social reality. Each of these images needs to be investigated to form the overall reality.
METHODOLOGICAL IMPLICATIONS OF AGENCY-STRUCTURE DEBATE

Research approaches that aim to investigate management phenomena can be viewed as taking either an agency or structural approach (Waters, 1994). Agency relates to a research approach focusing on human subjectivity, often at an individual level within a defined boundary and context (Van Gramberg, 2006). In an organisational level, agency refers to an individual’s subjectivity relating to aspects of work in the organisation. Agency level investigations focus on an individual’s social actions and reasoning including the individual’s experience within the inter-subjective world (Van Gramberg, 2006). Agency research falls into the interpretive category of analysis which considers social actions as an inter-subjective phenomenon shaping productive capacity of people (Giddens, 1994). Phenomenology and ethnography fall in line with this approach. However, it has been argued that relying solely on agency approach poses a risk of reducing rich social actions to an atomistic level or a micro-realm of subjective experience of social actors (Layder, 1997). It may also lead to the development of theories which are idiosyncratic (Eisenhardt, 1989).

The Structural approach, the other major approach to social research, focuses on social structure and its effects on social actors. Social structure refers to relatively enduring institutionalised relationships between social positions and practices located at different levels of the social strata (Giddens, 1994). In other words, it is a collective social phenomenon involving economic, political and social factors (Van Gramberg, 2006). Social theories such as theories of wealth and power, social and cultural anthropology, symbolism, mass communication, language and myth are used to assess the nature of the structure affecting an individual or a group of individuals (Van Gramberg, 2006). Conclusions are often drawn from data as the operation of the structure is not directly observable. Most of the survey-based quantitative studies have been criticised for their over reliance on structural aspects (Layder, 1998). Local experience or the agency level phenomena are neglected and for this reason structural research approach has been criticised (Glaser & Strauss, 1967).

The main criticism of agency research is that it neglects the social structure and that it over relies on individual subjectivity whereas, structural research has been criticised for its neglect of local experience of individuals (Glaser & Strauss, 1967; Van Gramberg, 2006). Most of the qualitative
approaches that have been put forward as an alternative to positivistic research approach, have faced at least three challenges (Carlsson, 2005). Firstly, some research based on approaches such as grounded theory and ethnography has become mere reportages and local narratives. Secondly, over reliance on agency or individual experiences has led to neglect of macro or wider social structure. Thirdly, integration and combination of different approaches rooted in different and incompatible ontologies has created ontological issues (such as combining qualitative and quantitative methods for the sake of having a mixed approach). Therefore, it is prudent to select an approach that can minimise these limitations.

**CRITICAL REALISM AND ADAPTIVE THEORY**

Critical Realism (Bhaskar, 1978, 1989, 1998) was developed as an alternative to traditional positivistic research approaches as well as an alternative to non-positivistic (post-positivistic or post-modern) approaches in social sciences (Carlsson, 2005). Specifically, it is claimed that critical realism is capable of overcoming structure-agency linkage problem by offering a way to explain the interplay between structure and agency in organisations (Bhaskar, 1979). It is argued that the problems associated with many qualitative approaches are resolved through critical realism that offers a philosophical tool to understand reality of natural order and the events and discourses of the social world (Carlsson, 2005). It is believed that understanding and then changing the social world is possible only by identifying the social structures and mechanisms that generate events and discourses (Bhaskar, 1989). According to this method, it is believed that social structures pre-exist social actions which reproduce and transform them (Giddens, 1976). These structures are supposed to create extant limits within which social interactions take place. Social structures are not spontaneously apparent in the observable pattern of events created by organisational participants and they can only be identified through the practical and theoretical work of social sciences (Bhaskar, 1989).

When understanding a social reality relating to an organisational phenomena, there are three important domains; the real, the actual and the empirical (Bhaskar, 1978). The real domain consists of: (1) underlying structures and generative mechanisms (2) events and behaviours (3) experiences (see Table 1).
The real world is stratified into structures and hence consists of multi layers. These layers (structures), called generative mechanisms, generate events that occur and that do not occur. Bhasker (1979) argued that the social actors operating within the social structures derive power from unequally distributed resources, based on their institutionalised positions and practices. Social relations are reproduced and transformed by these social practices and positions that are multi layered (Layder, 1994). Relations among different social structures tend to generate specific social behaviours and events. These relations are termed as generative mechanisms that can produce social (organisational) events. Actual domain consists of these events and behaviours. In other words, occurrence of these events and behaviours are observed in actual domain. Our experiences of these events and behaviours tend to reside in the empirical domain. Interestingly, in our organisational world, social structures in the real domain tend to exist independently of actual patterns of events (Bhaskar, 1978). As a result, actual pattern of events appear to be out of phase with the social structures. For this reason, researchers need to experiment and make sense of these events and behaviours. All the events are not experienced by the people. So it is possible that events could occur independently of experiences. Thus, real, actual, and empirical domains in the social (organisational) reality are distinct (Bhaskar, 1978). When this idea is projected onto organisations, it is possible to view them as enduring forms that are maintained and transformed through the engagement of positions and practices at different levels of social organisation (Reed, 1997).

Layder (1994; 1998) developed adaptive theory by incorporating the principles of critical realism for primarily constructing and elaborating theory in conjunction with ongoing empirical research. Layder combined both agency and structure together in a single approach creating a link between ‘human activity and its social contexts’ (Layder, 1994:5). Through this link, it is envisaged to combine the use of pre-existing theory with theory generated from data analysis (Carlsson, 2005). According to Layder, a central feature of realism is its attempt to preserve a ‘scientific’ attitude towards social analysis at the same time as recognising the importance of actors’ meanings and in some way incorporating them in research. Thus, a key aspect of the realist approach is a concern with
causality and the identification of causal mechanisms in social phenomena in a manner quite unlike the traditional positivist search for causal generalisations (Layder, 1994).

Adaptive theory suggests a layered framework of human action within social organisation. This framework consists of structural and institutional phenomena (structure), behaviour and interaction (agency). These layers can be described as context, setting, situated activity and self (Layder, 1994). Figure 1 depicts these layers through an illustrative example.

*Insert Figure 1 here*

The context signifies the macro structure that can be examined by using extant social theories pertaining to the investigative domain of the research phenomenon. Figure 1 illustrates a set of extant theories that can be used to investigate management control dysfunctions of an organisation. The setting focuses on the immediate forms of social organisation. It provides the immediate arena for social activities (Carlsson, 2005). For example, in terms of a selected organisation setting comprises of organisation culture, management control systems, power and authority structures, and organisational practices and norms. The situated activities tend to condition, shape or reshape the social interactions of the actors (employees and managers). For example, an employee’s or a manager’s reaction to management controls of an organisation may be assumed to be influenced by the social interaction through these situated activities. The self refers to individual’s relation to her or his social environment and is characterised by the intersection of biographical experiences and social involvements (Layder, 1994). The area of self covers how employees and managers are affected and respond to certain social processes whereas, situated activity focuses on the nature of the social involvement and interactions (Carlsson, 2005).

The advantages of adaptive theory as a social research method have often been put forward in comparison with grounded theory (Glaser & Strauss, 1967) which was introduced to overcome the problems of over reliance on structural research (survey based, positivistic) during the late 1960s (Van Gramberg, 2006). Grounded theory is an approach to the analysis of qualitative data aiming at generating theory from the field data. One of the weaknesses in grounded theory is it’s over
concentration on micro phenomena or agency. In Layder’s terms, ‘the very fixity of this concentration is a factor which prevents grounded theory from attending to historical matters of macro structure as a means of enriching contemporary or present-centred forms of research on micro phenomena’ (Layder, 1994). As such, in management research, grounded theory is insufficient to unearth intricate relationship between present-centred agency data and the historically associated structural factors.

Another weakness in grounded theory is its incapacity to handle power dynamics in organisations. This is due to its over reliance on situated and interpersonal aspects. This means that a researcher using grounded theory will most likely to omit the significance of power ‘behind the scene’ of situated activities (Carlsson, 2005).

Adaptive theory uses both inductive and deductive procedures for developing and elaborating theory (Layder, 1998). In adaptive theory, both of these theory generation mechanisms occur within the same frame of reference and within the same research project and time-frame. This tends to result in a more informed analysis and a better understanding of reality pertaining to management phenomena. Use of social theories to inform the underlying social structures behind social actions (agency) could improve the quality of the findings of management research. Adaptive theory takes a balanced approach avoiding the pitfalls of being an extreme inductive (for example, grounded theory) or deductive (for example, survey based positivistic research). Ontologically, adaptive theory embraces both objectivism and subjectivism (Layder, 1998). This clears most of the ontological dilemmas found in other research methods that combine different approaches rooted in different ontologies (for example, survey method is based on objective ontology whereas observation and in-depth interviews are based on subjective ontology).

GUIDELINES FOR APPLICATION

This section details step-by-step guidelines for the application of adaptive theory by using as an illustration a recently concluded research project. The aim of this research was to investigate duality of traditional (feudal-patrimonial) and modern (rational-neoliberal) factors affecting management control of state owned entities (SOEs) of developing countries such as Sri Lanka. Figure 2 outlines major methodological steps that were used in this research.
Demarcation of the Investigative Domain

It is advisable to initially demarcate the broad area of the discipline or the study context within which a research problem would be formulated. Familiarisation with current literature related to the study area is certainly helpful.

Illustration: The broad study area of the study could be management control issues in liberalised state-owned entities in developing countries such as Sri Lanka.

Formulation of Research Problem and Research Questions

Once the researcher has demarcated the investigative domain of the study, the main research problem and the supporting research questions need to be developed.

Illustration:

The research Problem: does the apparent duality between traditional and modern elements in Sri Lanka assist in understanding management control dysfunctions in liberalised SOEs?

Research Questions:

1. Is there a duality?
2. What are the antecedents of this duality?
3. How does this duality influence rational-legal bureaucratic controls in Sri Lankan SOEs?
4. In what way does this duality influence the management controls of liberalised SOEs?

Developing and Operationalising Theoretical Framework

Unlike in other methodological approaches, adaptive theory methodology requires continuous visiting and revisiting social theories to make sense out of data. Social theories relevant for a particular research phenomenon could be middle range or overarching social theories that can be used to shed light on the management phenomenon under investigation. When the initial literature review is conducted during problem formulation stage, a ‘soft’ or ‘skeletal’ theoretical framework needs to be developed. This tentative theoretical framework is by no means conclusive. The main purpose of this framework is to guide the researcher in deciding the nature of data to be collected (what to seek for) and to make sense out of the data emerging from the field. As and when data emerges, this theoretical
framework may be adapted or changed. As shown in the figure 3, theoretical framework will be shaped and reshaped during the whole period between problem formulation and the completion of data analysis.

**Field Work**

Adaptive theory enables a researcher to select one or many data collection methods that include in-depth interviews, focus groups, observation, surveys and perusal of other secondary sources such as company documents, reports, legislation, government reports and media publications. It is also possible to have a combination of a primary and a secondary method. For example, the primary method of data collection could be in-depth interviews and spontaneous observations whereas, secondary methods could be a survey, perusal of company documents and reports, relevant legislation, government reports and review of the relevant media publications. Table 2 illustrate a typical interview strategy.

Insert Table 2 here

At the end of each interview and at the end of each day of field work, notes should be taken and reviewed together with reflective practices which is the interpretation of data in terms of social theories. Continuous cross reference to and consultation of social theories need to be administered as an important element of the reflective practices. Apart from interviews, as mentioned above, it is also possible to observe behaviour of organisational participants each time the organisation or the site is visited by the researcher. For example, I was invited to be seated in a meeting of employees and managers who discussed cost controls and the problem of overtime. These observation data was added to the daily memos (notes) and combined with the interview data. In addition, company publications such as monthly bulletins, annual reports and circulars were also used to validate the interview data to enhance the quality of data triangulation. Other sources such as legal documents (i.e. government gazette notifications and circulars) were used to gather additional data and to validate interview data.
Analysis

It is recommended to use qualitative data analysis software such as Nvivo. These softwares offer powerful tools to manage a large quantum of qualitative data effectively and efficiently. However, it should be noted that manual data analysis, when properly conducted, is by no means inferior to computer-aided analysis. Data analysis in terms of Adaptive theory requires creating themes from the interview responses (Van Gramberg, 2006). Presence of these recurrent themes forms the foundation of the emerging themes (Layder, 1998) and they can be identified by tagging them with identifiable codes on the basis of their indication of a concept (Layder, 1998). New indicators of each concept need to be sought until they have begun to repeat themselves (Van Gramberg, 2006). At that point, the concept was said to be saturated (Glaser & Strauss, 1967). It is advised to be cautious in concluding that a concept is saturated (Glaser & Strauss, 1967). However, in most of the cases, time set a practical limit in deciding a concept was saturated.

A typical set of data analysis steps are as follows:

1. Completion of daily field notes
2. Summarising field notes and developing memos in consultation with social theories (reflection)
3. Identification of emerging themes in line with research questions of the study (coding)
4. Grouping similar themes into concepts
5. Assessing these concepts in relation to social theories used in the study
6. Developing a new theory or adapting the existing theory

Table 3 further illustrates the operationalisation of adaptive theory methodology.

*Insert Table 3 here*
CONCLUSION

This paper illustrated the way in which adaptive theory research methodology can resolve agency-structure dichotomy in management research. In order to achieve a holistic understanding of management phenomena, both social structure and individual subjectivity need to be studied. While over reliance on survey-based research methods tends to neglect the human subjectivity aspect of a phenomenon, overemphasis on human subjectivity is likely to disregard social structure that shapes individual actions. Also, combination of both qualitative and quantitative research methods for the sake of alleviating the inherent drawbacks of each method tends to pose ontological issues.

Adaptive theory research methodology aids researchers to combine both structure and agency aspects in one research project, given that individual human actions shapes social structure that in tern shapes individual actions. Critical realism holds that reality is layered and structured in three domains; real, actual and empirical. Human experiences (in empirical domain) are derived from events and behaviours (in actual domain) that are caused by social structures and relations (in real domain). These three domains tend to exist independent of each other. Therefore, in order to understand reality (management phenomena), researchers should make sense of the human experiences occurring in empirical domain by relating them to events, behaviours and social structure. Social theories can be used to inform relevant social structures interwoven with a management phenomenon being studied. Likewise, survey findings can inform a general structure relevant to a phenomenon. In-depth interviews, focus groups and observations can be used to understand individual subjectivity (human agency). By using a recently concluded research project as an example, the paper illustrated the major steps in operationalising adaptive theory methodology.

REFERENCES


Figure 1: Layered Framework for Understanding a Phenomenon

<table>
<thead>
<tr>
<th>Layers</th>
<th>Illustration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Context</td>
<td><strong>Extant Structures:</strong> Control structures, social and cultural anthropology, mode of production, political history, bureaucratic structures, feudal-patrimonial elements</td>
</tr>
<tr>
<td>Setting</td>
<td><strong>Immediate environment of social activity:</strong> Management controls operating in organisation, department, and team</td>
</tr>
<tr>
<td>Situated Activity</td>
<td><strong>Dynamics of social interaction:</strong> influence of social norms and ideas on individual behaviour toward controls</td>
</tr>
<tr>
<td>Self</td>
<td>Biographical experiences and individual social experiences related to management controls</td>
</tr>
</tbody>
</table>

Figure 2: Major Methodological Steps

- Demarcation of Investigative Domain
- Formulation of Research Questions
- Study Construct & Operationalisation
- Field Work
- Case Studies
- Analysis

Study Conclusions: Suggest a new theory / adapt existing theory / Replication

Adapting & Developing Theories

Making Sense of Data through Extant Theories
Table 1: Elements of Critical Realism

<table>
<thead>
<tr>
<th>Domain of Real</th>
<th>Domain of Actual</th>
<th>Domain of Empirical</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structures, Mechanisms and Relations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Events and behaviours</td>
<td>Events and behaviours</td>
<td></td>
</tr>
<tr>
<td>Experiences</td>
<td>Experiences</td>
<td>Experiences</td>
</tr>
</tbody>
</table>

Table 2: An Illustrative In-depth Interview Strategy

<table>
<thead>
<tr>
<th>Case</th>
<th>Total Interviews or Number of people Interviewed</th>
<th>Type and Number of Interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>58 people interviewed, individually and severally</td>
<td>CEO (1), expatriate managers (3), deputy general managers (4), senior and junior executives (15), workers (16), union representatives (9), treasury officers (3), officers of regulatory body (3), audit and accounting officers (4)</td>
</tr>
<tr>
<td>B</td>
<td>33 people</td>
<td>Chairman (1), board members (3), treasury officers (2), senior managers (4), employees (10), supervisors (8), union officers and members (5)</td>
</tr>
<tr>
<td>C</td>
<td>25 people</td>
<td>Managing Director (1), expatriate managers (4), board members (2), managers (5), union officers (3), treasury officers (2), employees (8)</td>
</tr>
</tbody>
</table>

Stage I: Getting acquainted

Aims: To become familiar with the organisation, key people, its operations, and the main control issues at a glance.

Main actors: Case A: CEO, expatriate Managers, key senior managers, middle level managers and operational employees Case B: Chairman, board members, trade union officer, senior managers, employees Case C: CEO, expatriate managers, senior managers, trade union officer

Objectives: To find out management control issues of interest and relevant actors for further probe To collect company publications and documents To have a general understanding of operations of management controls and related issues

Stage II: Understanding and detailing the issues

Aims: To collect data specific to management controls (business planning, budgeting, performance control, personnel control, cost and task control)

Main actors: Case A: representatives from the government treasury and regulatory bodies, deputy general managers, senior managers, employees, union representatives, auditors and accountants Case B: board members, managing director, treasury officials, employees, managers, accountants, union representatives Case C: CEO, expatriate managers, managers, employees, trade union officers, treasury officers, bureaucrats of the regulatory bodies

Objectives To gather detail accounts of issues illustrating operations of modern and traditional factors regarding management controls To understand the way in which each management control mechanism is influenced by traditional factors
Stage III: In depth exploration of the issues

<table>
<thead>
<tr>
<th>Aims:</th>
<th>To conduct a deeper probe into phenomena that emerged from stage II</th>
</tr>
</thead>
</table>
| Main actors:    | Case A: CEO, treasury officers, directors appointed by the politicians, trade union representatives & officials, internal auditor, accountants  
|                 | Case B: trade union officers, accountant, civil servants, managers, employees  
|                 | Case C: CEO, senior managers, trade union officers, officers of the regulatory bodies |

### Table 3: Description of Methodological Steps

<table>
<thead>
<tr>
<th>Methodological Steps in terms of Adaptive Theory</th>
<th>Illustration of specific actions</th>
<th>Domain Elements</th>
</tr>
</thead>
</table>
| Selection of extent theories (need to select according to the context being investigated). This is the context | The research investigates management control dysfunctions caused by the duality of traditional (feudal-patrimonial) and modern (rational-legal) elements in state owned entities of Sri Lanka. In this context, the extant (structural) social theories selected are;  
| To inform traditional controls (patrimonial-feudal) | Political economy (mode of production theory), cultural and social anthropology and peasant ideology  
| To inform bureaucracy and rational-legal directives (modern controls) | Weberian theory of bureaucracy, neoliberal theory of individual and social behavior, institutional theory  
| To inform management controls | Theories of management control |
| The setting, situated activities and self | Three case studies have been selected. These are liberalised SOEs in Sri Lanka. Each case has a distinct culture, work norms, ownership structure, management control mechanisms  
| Process of reflection | In-depth interviews and observations have been conducted to collect data on human agency  
| Process of reflection | I used reflective note taking and recording at the end of each day of interviews. These memos were used to identify specific patterns that conform to theories and deviate from theories. Research experience was recorded. Theoretical insights were drawn by combining structural theories, research experience, interview notes and research aims and questions |

Developing themes and events | Themes were created by analysing events and behaviours |
| coding interview responses. These were tagged with identifiable codes. These responses were arranged in concepts that were used to explain phenomena under investigation and in informing theories. | and experiences are arranged in a meaningful order in such a way that the real nature of the phenomena is understood. |