

Building Theory from Data in the Field of Entrepreneurship

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In this paper, we describe the process of building of grounded theory. We have an emphasis on the field of entrepreneurship: we describe and analyse current grounded theory research in entrepreneurship and point out directions and potential improvements for future research. A basis for our assessment of the current state of grounded theory research in entrepreneurship and for our suggestions for the future is provided by an analysis that we have conducted of recent grounded theory-based entrepreneurship research that has been published in top-tier research journals.

Our paper has two goals. First, we wish to provide an explicit paradigmatic positioning of the grounded theory methodology, discussing the most relevant views of ontologies and epistemologies that can be used as alternative starting points on conducting grounded theory research. Currently, different paradigms are used as the basis of grounded theory inquiry in entrepreneurship. While the paper introduces our postpositivistic approach to grounded theory, we acknowledge the existence of other approaches and carefully locate our approach in relation to them. As an important part of this discussion, we take a stand on how to usefully define “grounded theory” and “case study research.” Based on this discussion, we elaborate the overlapping areas of grounded theory research and case study research and make suggestions for the usage of these terms. Second, we seek to firmly link our discussion to the potential value of grounded theory research to the field of entrepreneurship and the need of this field of further grounded theory.

In the paper, we use our analysis of the recent grounded theory entrepreneurship research published in top-tier journals to bring the entrepreneurship discussion alive. For the analysis, we have studied papers published after 1996 in Academy of Management Journal,

Administrative Science Quarterly, Strategic Management Journal, Organization Science, and top entrepreneurship journals (Journal of Business Venturing, Entrepreneurship Theory and Practice, Small Business Economics, and Entrepreneurship and Regional Development), among others. Based on this analysis of ours, we describe current ways of employing grounded theory in entrepreneurship research and suggest improvements, with this discussion continuing throughout the sections of this paper that pertain to the design and management of the grounded theory process.

We have designed the following structure for our paper. First, we provide an overview of the grounded theory methodology, including its history. Next, we discuss the positioning of the methodology within the field of social research in terms of paradigms and perspectives, techniques for collecting and analysing empirical materials, and interpretation and evaluation of quality, also raising broader issues of the methodology's paradigmatic position. Thereafter we introduce the analysis of recent grounded theory entrepreneurship research. Next, the appropriateness of choosing the grounded theory methodology in various situations of entrepreneurship research is elaborated. After this, we provide a phase-by-phase description of the research process, and link back to our analysis of recent grounded theory research in entrepreneurship. Concluding remarks are then presented with an assessment of the future of grounded theory inquiry in the field of entrepreneurship.