

3 Methodology

3.1 Introduction

Having contextualised the relevant literature to the research aims throughout the previous Chapter and constructed the conceptual model, the methodology must test this model by its comparison to primary data in order to address the research question.

However, a dichotomy exists in epistemological positioning toward stakeholder theory within a given research approach (Simmons and Lovegrove, 2005). This is because hard epistemologies require adherence to the positive paradigm and use experimental groups within a controlled environment to delineate influences on dependent variables.

However, stakeholder theory has conventionally been located within the alternative research paradigm, where soft epistemological stances are required as different stakeholders experience the same reality differently.

This study suggests that this dichotomy between the need for quantitative and qualitative methodologies can be overcome by combining them within stakeholder analysis. An eclectic stance on research philosophy and method is of particular attraction to stakeholder theory, as researchers have acknowledged its potential to integrate themes in economic and social enquiry (Donaldson and Preston, 1995), whilst avoiding “mindless empiricism” without “disappearing into the realm of meta-theory” (Burgoyne, 1999). The importance of using statistical methods for stakeholder phenomena, therefore, lends itself to quantitative analysis alongside qualitative data on experiences and expectations (Burgoyne, 1999). This approach is explained in greater detail in Section 3.3 of this Chapter.

3.2 Methodological considerations

The time constraints upon this study provide further support for a combination of quantitative and qualitative analysis, however, these constraints have also dictated the data collection methods used. This following list details these data collection methods, in the order they were undertaken:

1. Detailed review of academic literature, which identified five key research subjects borne out of the research aims. A single supplementary research question was produced from each of the five research subjects, which will address the concepts contained within the research question. This information

aided design and content of the self administered questionnaire and semi-structured interviews;

2. Examination of the available secondary data within the Council that provides service managers with guidance on stakeholder involvement and/or strategy formulation;
3. A focus group of seven service managers was employed to pilot the self administered questionnaire for content and reliability (Mitchell, 1996). Feedback from the focus group led to several amendments to the questionnaire prior to distribution;
4. A specifically designed anonymous self administered questionnaire was distributed by email (to offer greater control (Witmer, Colman, and Katzman, 1999)) to a population size of all 57 service managers within the Council. The questionnaire aimed to answer the five supplementary research questions. The resultant quantitative data was analysed using SPSS software (version 16.0) and informed six semi-structured interviews, which were held with six service managers chosen at random from the population;
5. The six semi-structured interviews provided qualitative data to allow more detailed analysis of the five supplementary research questions to build upon, and triangulate, the quantitative data gathered from the questionnaires. Interviews were recorded to ensure accuracy and reliability and the responses organised and coded to the five supplementary research questions (Saunders et al., 2007) to allow for suitable analysis.

3.2.1 Justification for the selected paradigm and methodology

Given aforementioned time constraints upon this study and the dichotomies within stakeholder theory, a pragmatic view has been taken toward this research and therefore a combined approach and philosophy has been adopted. An epistemological stance of *positivism* has been adopted as the literature review advocates a stakeholder approach as a means to foster effective strategy formulation. Moreover, a positivist approach will allow the hypotheses contained in the conceptual model to be tested (Saunders et al.,

2007). However, given the issues surrounding the chosen epistemological stances for this research, it would be insightful to consider the limitations of a positivist approach in this regard. Therefore, an *interpretist* stance has also been adopted, as it is necessary to understand the differing human relationships when involved as ‘social actors’ in the roles of both stakeholder and service manager. More importantly, an *empathetic* approach is also vital to interpret these roles so that the concept and impact of stakeholder voice within the context of strategy formulation can be examined.

The combined philosophy of this study uses ontology of *subjectivity*, as not only is it necessary to examine the subjective meanings that motivate the actions of the aforementioned social actors, but it is important to understand these actions in the context of their roles as stakeholder and service manager. Furthermore, a *regulatory perspective* has also been adopted because the literature review supports the involvement of stakeholders in the development of local government strategy. Accordingly, the fourth research aim of this study is to recommend improvements within the Council’s existing framework, rather than to suggest a complete overturn of the Council’s priorities.

Using Burrell and Morgan’s (1979) “analysis of social theory”, this combined philosophy supports the *interpretive* paradigm, as the research question is fundamentally about how humans make sense of the world around us and *how* the Council reacts to this when formulating strategy. This is particularly important given the need to understand if strategy is *affected* by stakeholder voice.

Having described the research philosophy, it is useful to outline the implications of this philosophy upon the chosen research approach (Jankowicz, 2002). The fundamental positivist philosophy of this research, combined with the need to compare primary data with the conceptual model, necessitates a *deductive* approach. However, it is often advantageous to combine this *deductive* approach with *induction* (Saunders et al., 2007), and therefore, the primary data has been supplemented with analysis of secondary sources within the Council. This has been carried out to ascertain how the Council currently addresses stakeholder voice when formulating strategy.

The research strategy will therefore address the research question by the collection of both quantitative and qualitative data (Saunders et al., 2007). Quantitative research has

been chosen as, not only does this support the research philosophy and approach, it is essential to obtain data that describes the Council's current approach to stakeholder voice when formulating strategy, as well as whether the concepts behind stakeholder voice are acknowledged, understood and implemented. Therefore, quantitative research is appropriate to answer each of the five supplementary questions and the use of a self administered questionnaire is justified as this method is suited to the collection of quantitative data (Fisher, 2007). Moreover, given the short time allocated to this research, a questionnaire is also relatively quick to complete, economic and easy to analyse (Bowling, 1997).

Whilst analysis of the quantitative data enabled classifications and trends to be identified within the results to address the five supplementary research questions, the quantitative data also supported the six (Robson, 2002) semi structured interviews. These interviews were held with six service managers, chosen at random from the sample, and were used to obtain qualitative data of managers' experiences and expectations. The content of the semi structured interviews was organised and coded to the five supplementary questions and supported purely from the quantitative data obtained to prevent bias (Jankowicz, 2002).

The use of qualitative research is also appropriate to the research question and aims as tacit knowledge and subjective understanding, and interpretation, (Marshall and Rossman, 2006) is required to determine service managers' perceptions of stakeholder voice and its impact upon strategy formulation. Moreover, the combined strategy of obtaining both quantitative and qualitative data is used to reduce potential risk of bias by the triangulation of the primary data (Jankowicz, 2002; Silverman, 2006; Saunders et al., 2007).

3.2.2 Rejected models

The research strategy has been chosen in the context of the available literature as the most suitable means to address the research question, and therefore, several other research philosophies and approaches have been rejected as being unsuited to either the research question and/or the contextualised literature review.

Accordingly, although it shares similarities to *positivism* (Saunders et al., 2007), an epistemological stance of *realism* has not been chosen because this philosophy supports the use of observation to study reality, whereas positivism supports the need to understand the actions of the social actors to the strategy formation process. To gain this understanding, the aforementioned data collection methods have been adopted to gain an insight as to why these social actors make their decisions. Such levels of data could not be obtained if observation techniques were employed using a *realist* philosophy.

Similarly, ontology of *subjectivism* has been favoured over *objectivism* because the study of the perceptions and consequent actions of stakeholders and service managers are fundamental to this research. Ontology of *objectivism* would assume that the Council operates within a reality external to these social actors, which is clearly not representative of the relationship that the Council holds with its numerous stakeholders.

Returning to Burrell and Morgan's (1979) analysis of social theory, and taking account of the above paragraphs, the combined philosophy and approach used in this research clearly does not support the *radical humanist*, *radical structuralist* or *functionalist* paradigms.

3.3 Research design

Given the impact of time constraints, the combined nature of this research and the aforementioned need to gather qualitative as well as quantitative data, a self administered questionnaire was used to obtain quantitative data and semi structured interviews used to gather qualitative data.

A population size of all 57 service managers employed by the Council was chosen for this research, as it is these individuals who have the responsibility for developing the majority of the Council's strategies and also have the most direct contact with its stakeholders when formulating strategy. Given the relatively low numbers (Stutely, 2003) within the population, data could be gathered from the entire population and therefore a representative sample was not required. Accordingly, a high level of confidence was achieved as the primary data collected will directly represent the entire population. This, in turn, eliminated any margin for error or bias (Jankowicz, 2002)

associated with adopting a sample from the population and also allowed greater freedom in statistical analysis techniques (Saunders et al., 2007).

Secondary data, that aims to provide the Council's service managers with guidance on stakeholders and strategy, was obtained from the Council's intranet service as this is the key tool that all documented guidance is administrated throughout the Authority.

3.4 Research procedures

3.4.1 Self administered questionnaire

To make an informed choice of self administered questionnaire for this study, the relevant factors offered by authors including Bell (2005), Jankowicz (2002), Fisher (2007) and Saunders et al. (2007) were considered. Therefore, given the relatively small population size, the potential impact of a low response rate had to be considered. As the population comprised of middle management employees, there was a high degree of confidence that each respondent would consider the questionnaire, but a method of control had to be maintained to ensure a significant response rate. Accordingly, an electronic format was chosen for the self administered questionnaire, as all service managers have access to, and use, email. Moreover, this method also allowed several 'follow up' emails to be generated to further improve response rates (Witmer et al., 1999). The suggested four to six week time frame for the collection of data obtained from electronically administered questionnaires offered by Saunders et al. (2007) also fit into the overall time allocated to this research.

The use of a questionnaire assumes that the researcher and respondent share underlying assumptions about language and interpret statement wording in a similar manner (Rattray and Jones, 2007), therefore, suitable questionnaire design was essential (Jankowicz, 2002; Saunders et al., 2007). Accordingly, the questions contained in the self administered questionnaire were precisely defined prior to data collection (Saunders et al., 2007). To ensure that only essential data was collected, a data requirements table was prepared (Appendix 2, page 99) so that each question was directly associated to the second and third aim of this study and also to the five supplementary research questions. This ensured that each question [within the questionnaire] clearly identified the required data variable (Dillman, 2000), which in turn improved the validity and reliability of the expected data (Foddy, 1994).

Significant effort was made to ensure that the layout of the questionnaire was attractive to the respondent. Whilst not appearing too long (Dillman, 2000), at seven sides of A4 paper, the questionnaire complied with the suggestions of Saunders et al. (2007) for within-organisation self administered questionnaires. The contents of the data requirements table were continually compared with draft versions of the questionnaire to ensure the wording and order of the questions follow the guidelines stipulated within Jankowicz (2002) and Fisher (2007) to ensure the questions followed a logical order to steer the respondent and elicit accurate responses.

To provide increased confidence in the reliability, validity and suitability of the questionnaire, it was piloted to a focus group of seven service managers (12.06% of the total population) on the 28th February 2008. Each member of the group was asked to complete the questionnaire and provide feedback as suggested by Bell (2005). Appendix 3 (page 102) details the feedback from the focus group, as well as the respective amendments made to the self administered questionnaire. Appendix 4 (page 104) provides the final format of the questionnaire.

As the majority of the data collated by the self administered questionnaire is categorical to the five supplementary questions, the results were analysed using SPSS software (version 16.0) to provide frequency data analysis of the dichotomous, nominal and ordinal variables obtained. The results of the self administered questionnaires were received from the 3rd to 28th March 2008 and are presented throughout Chapter 4.

3.4.2 Semi structured interviews

A qualitative semi structured interview is considered upon its width rather than its depth (Wengraf, 2001), and is therefore formulated from a few predetermined general topics [the five supplementary research questions] to help uncover the participants' views, but otherwise respects how the participant frames and structures the responses (Marshall and Rossman, 2006). This approach not only facilitated the open nature of each interview, but also helped to improve the reliability of the expected data (Saunders et al., 2007). All interviews were conducted from the 7th to 11th April 2008.

Accordingly, the semi structured interviews were organised around the quantitative data provided from the self administered questionnaires and the available literature. This

allowed the interviews to build upon the responses from the self administered questionnaire to examine the impact of stakeholder voice upon strategy development by comparison of the empirical data with the conceptual model.

The central theme of this study and the responses from the self administered questionnaires also allowed coding to each of the five supplementary research questions to take place, so that each response was considered systematically during each interview (Jankowicz, 2002). To improve the creditability of the data (Saunders et al., 2007), the five key research subjects were provided to each interviewee prior to the interview, which allowed the interviewee to consider their position before the interview. Similarly, to facilitate an open discussion, each interview was conducted in the individual service manager's office to ensure a relaxed and private location. Furthermore, each interviewee was reminded of the purpose of the interview itself and how the information they provided would be used during the research, as a means to gain their confidence.

In a similar manner to the self administered questionnaire, the wording of the questions used in the semi structured interviews was important (Fisher, 2007), however the open nature of this interviewing technique meant that steering had to be employed to ensure an appropriate response was elicited (Jankowicz, 2002). Therefore in addition to contextual data (Saunders et al., 2007) gathered for each interview, the content of the conversation was recorded (using an Olympus VN-3100PC digital voice recorder) to improve the reliability of the data (Marshall and Rossman, 2006). However, to avoid bias and to preserve confidentiality, this contextual data was removed from the interview transcripts prior to the content analysis of the data (Jankowicz, 2002). The various coded statements recorded from the interviews were organised against each of the five supplementary research questions and are presented throughout Chapter 4 as verbatim quotations to triangulate the quantitative data obtained from the questionnaires (Jankowicz, 2002; Marshall and Rossman, 2006; Silverman, 2006).

3.4.3 Secondary data analysis

To supplement the primary data, and to contextualise the questions contained within the self administered questionnaires and semi structured interviews, the corporate guidance with regard to strategy formulation and stakeholder involvement available to the Council's service managers was obtained.

The Council operates a developed structure of performance management; however the only available documented guidance for service managers was the *Performance Management Guide*, produced by the Policy and Performance Unit of the Council. This was a twelve page guidance document, which focused predominantly upon the performance management framework within the Authority. Therefore the amount of information appertaining to stakeholder involvement was extremely limited and only two pages were dedicated to strategy formulation, which also was limited in content. Appendix 5 (page 111) provides the relevant section of this document.

Accordingly, the value of the document is limited to the second aim of this study only, and as such, the analysis of this secondary source is required to address the first supplementary research question presented within Chapter 4. However, the overall apparent lack of guidance for service managers substantiated the need for the primary research to ascertain exactly how the Council's service managers perceived strategy. Therefore, it was appropriate for the self administered questionnaires to explore service managers' opinions of this guidance and how service managers assimilated this information (or the lack thereof) to determine and assess stakeholder views to make informed judgements when formulating strategy.

3.5 Ethical considerations

The principles contained in the University's Faculty of Business and Management Ethics Policy (University of Chester, 2007), in addition to the guidance offered by Jankowicz (2002), Fisher (2007) and Saunders et al. (2007), raised several ethical issues surrounding the combined nature of this research, namely:

1. *Sponsor coercion* – no direct influence was made by the Council upon the choice of research topic and therefore no external influences bore upon the researcher. Similarly, given that the research question aims to examine stakeholder influence upon the Council, the recommendations will not be directly critical of the Council's approach, rather they will provide options for improving the way the Council adapts to these perceived influences;

2. *Access* – as the researcher was employed by the Council, the granting of access for the research was not necessary, however consent for the research was obtained via the researcher’s immediate line manager (submitted as part of the research proposal);

3. *Privacy and confidentiality* – an initial risk assessment of the nature of this research indicated that the risk of obtaining any specific personal information, or other information that is sensitive and/or confidential to the Council, was very low. However, to preserve anonymity throughout this research, no reference has been made to the individual Council or to any persons that have contributed to this research. Accordingly, all references have been removed from secondary data and all self administered questionnaires were completed anonymously. Whilst the same degree of anonymity could not be preserved during the semi-structured interviews, the results of all interviews were made anonymous. Furthermore, all interviews were conducted in private to protect the respondent and allowed them the freedom to comment with confidence. Accordingly, all participants to the interviews had access to their information at any time and were able to withdraw at any time;

4. *Informed consent* – all participants were informed of their role in this research and were provided with explicit information as to the nature and reasons for the research, what was expected of them and how results would be handled. Accordingly, these issues were made clear to all respondents by a covering email that preceded the questionnaires, as well as detailed on the questionnaire itself. Informed consent was particularly important for the semi-structured interviews as the interviews were recorded, and therefore all participants were fully briefed to ensure the participant fully understood their role in this research;

5. *Respondent deception* – the design of the self administered questionnaire and semi-structured interviews, outlined earlier in this Chapter, endeavoured to minimise this risk through clear and unambiguous questioning;

6. *Interviewer/response bias* – the use of written pre-determined questions applied through consistent questioning techniques during the semi structured interviews prevented potential omission of questions or other inaccuracies that could have lead to bias. This risk was further reduced by the use of open questions (Saunders et al. 2007) and triangulation of the qualitative data with the quantitative data obtained from the self administered questionnaires.

3.6 Summary

The use of the combined research strategy has enabled rich and detailed data to be obtained, which is presented throughout Chapter 4. Whilst the secondary data analysis demonstrated the limited and contradictory content of the guidance available for service managers, this allowed the content of the self administered questionnaire to explore the five supplementary research questions [outlined in Chapter 2] to gauge service managers' opinions relating to the available guidance and to how service managers determine and assess stakeholder views to make informed judgements when formulating strategy. The issues arising from the quantitative data compiled from the questionnaires then informed the semi structured interviews, which explored the five supplementary research questions in greater detail, by examining those instances where stakeholders have had a direct impact on strategy.