

The nature of theory - lab report example



The Nature of Theory

The Nature of Theory: why we need to be able to think in theoretical terms

Assessment of the Use of Theory in the Agarwal et al. Study The Theoretical Base Underlying the Spinout Study

" Spin-out" refers to " an entrepreneurial venture by an ex-employee", more specifically, " a distinctive class of entrepreneurial entrants that inherit knowledge from industry incumbents through their founders" (Agarwal et al., 2004: 2).

Brief Description of the Theory Involved in the Study

The (1) knowledge spillovers as the source of new firm formation, (2) inherited knowledge as the source of a new firm's know-how, and (3) the impact of genesis on new firm outcome are the three theoretical streams that form the basis for each of the authors' hypotheses relating to spin-out generation, development and survival (Agarwal et al., 2004: 5).

Criteria for Effective Use of Theory

Sutton and Staw (1995) asserted the following in regard to what theory is not:

1. References are not theory.
2. Data are not theory.
3. Lists of variables or constructs are not theory.
4. Diagrams are not theory.
5. Hypotheses or predictions are not theory (Sutton and Staw, 1995).

Di Maggio (1995) further augmented that there is more than one kind of good theory: theory as covering laws, theory as a source of enlightenment, and theory as the one which emphasizes narrativity. Moreover, DiMaggio

(1995) also made an exegesis that a good theory must embody a so-called defamiliarization (perceiving the world with "new eyes") but not compromising clarity. He also added that a theory must hit a balancing point between comprehensiveness and memorability. Finally, theory construction is social construction, often after the fact (Di Maggio, 1995).

On the other hand, Karl E. Weick (1995), instead of opposing Sutton and Staw's five-part assumption regarding "what theory is not", he rather reiterated that those five entities (references, data, variables, diagrams, and hypotheses), in their respective rites, do contribute in the professed process of "theorizing".

Summary Review of the Conceptual and Operational Definitions of the included Variables

Graphic Model

Summary

References

Agarwal, R., Echambadi, R., Franco, A. M., & Sarkar, M. B. (2004) Knowledge transfer through inheritance: Spin-out generation, development, and survival. *Academy of Management Review*, 14 (4), 501-522.

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