Mandatory reading: Bacharach, S. B. (1989). Organizational
theories: Some criteria for evaluation.
Academy of Management Review
pp. 496 - 500

Organizational Theories: Some criteria for evaluation

"A theory is a statement of relations among concepts within a
set of boundary assumptions and constraints.
It is no more than a linguistic device used to organize
a complex empirical world."

function of a theory: "preventing the observer from being
dazzled (geblendet) by the full-blown
complexity of natural or concrete events"

purpose of a theory: to organize (sparsam) and to
communicate (clearly)

IMPORTANT: Descriptions are not themselves theoretical statements

⟹ three modes of description must be distinguished from theory:
- categorization of raw data, (whether qualitative or quantitative) is not theory
- typologies, and (should not be viewed as theory)
- metaphors
  → a metaphor is a statement that maintains that two
    phenomena are isomorphic (i.e.: they have certain
    properties in common) *(von gleicher Form)*
  → the metaphor is used to ask how the phenomenon is
    similar to another phenomenon
  → must assist the theorist in deriving specific propositions
    and/or hypotheses about the phenomena being studied

(margin left: question of what rather than more theoretical how, why & when)

What is a theory?

theory can be defined as a statement of relationships between
units observed or approximated in the empirical world.

approximated units = constructs, which their very nature cannot be
observed directly

observed units = variables, which are operationalized empirically
by measurement

Primary goal of a theory: • answer the questions of how, when,
and why, unlike the goal of
description which is to answer the
of what

⟹ constructs are related to each other by propositions

⟹ variables are related to each other by hypotheses
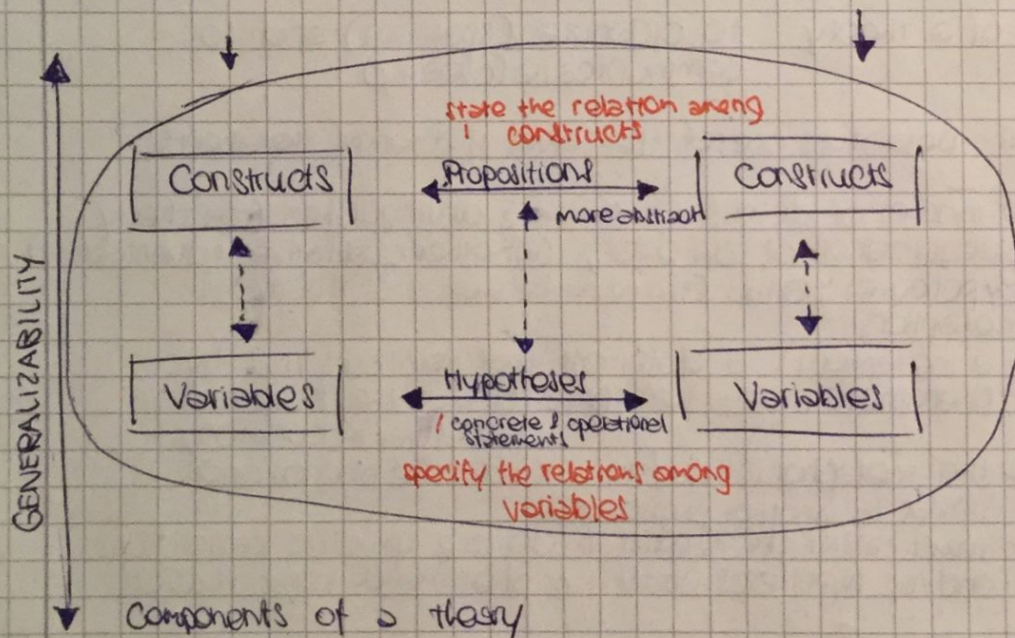
Boundaries of Theories

→ all theories are constrained by their specific critical bounding assumptions

Spatial boundaries: conditions restricting the use of the theory to specific units of analysis (e.g. specific types of organization)

Temporal boundaries: specify the historical applicability of a theoretical system.

→ Spatial & temporal boundaries restrict the empirical generalizability of the theory

Boundary = Assumption about values, time and space

Components of a theory

e.g. construct: performance
   variable: sales or return on investment

   construct: cohesion
   variable: rate of interpersonal interaction or member voting patterns

p.501

No evaluation of a theory is possible unless researchers first establish those broad criteria by which it is to be evaluated

Two main criteria of evaluation:

a) falsifiability

b) utility

FALSIFIABILITY

- determines whether a theory is constructed such that empirical refutation (widerlegung) is possible

  " theories can never be proven, only disproven

  problem: sometimes irrefutable statements disguised as theories

  ⇒ aim: Ability to discard such false theories

  ⇒ theorists must try to construct theories that are coherent enough to be refuted

UTILITY

- refers to the usefulness of theoretical systems

  " bridge that connects theory and research "

- A theory is useful if it can both explain & predict.

- problem of incomplete theoretical systems:

  → often used to make predictions, but yet they do not provide explanations

The falsifiability of variables, constructs, and relationships

- With understanding of the components of theory at different levels of abstraction and the two main types of criteria (f & u) researchers can begin to understand the way these criteria can be applied to theory

- first: Analyse constructs & variables
  Evaluate