

## Historically Grounded Theory

### Abstract

Grounded theory is a methodological framework within the qualitative social sciences that enables scholars to systematically develop theoretical insights independently of the logic of theory testing that dominates social science methodology. While grounded theory purports to enable contextually sensitive theory development, it privileges direct observation through field research over the development of theoretical insight regarding dynamic or historical phenomena that unfold over extended periods of time. This entry describes historically grounded theory as a methodology that enables grounded theory development based on historical methodologies.

**Keywords:** Historically grounded theory; Grounded theory; Qualitative research; Historical methods; Historical organization studies

### Definition of Historically Grounded Theory

Historically grounded theory refers to a methodology for developing conceptual explanations of phenomena and contexts that are not directly observable in the present but that are understood and theorized through the interpretation of historical evidence to develop plausible representational accounts of the past. Historically grounded theory is, thus, a methodology that is particularly well suited for theorizing dynamic phenomena that evolve over extended periods of time. Historically grounded theory involves developing theoretical explanations through iterative analysis of historical evidence (e.g., sources and traces) rather than on immediate field observations. It emphasizes creating narratives that describe specific historical phenomena as a means of articulating more abstract theoretical concepts and relationships.

### Conceptual Overview and Discussion

Grounded theory is a methodological tradition in the qualitative social sciences dedicated to exploratory observation as a means of formulating and elaborating abstract concepts and their relationship to other concepts in social scientific theory. For social scientists, the term *theory* is used in a general sense to describe the means whereby empirical observation is conceptually organized and, thereby, made comprehensible for a scholarly and/or lay audience. Theory, thus, plays a crucial role in the social sciences. Despite this, social science methodology is substantially oriented toward testing theory. Relatively less methodological attention has been dedicated to the exploratory process whereby theories are developed and articulated.

Grounded theory was introduced as an effort to systematize the process of theory generation to make this more widely available such that social scientists were enabled to justify exploratory empirical observation as a means of formulating and adapting plausible new conceptual explanations independently of the need to ‘test’ established theoretical frameworks created by others (Glaser & Strauss, 1967). In this way, grounded theory worked to temper the ‘grand’ theoretical ambition of the reductionist social sciences in favor of ‘middle range’ theories (Merton, 1968) that are more sensitive to context. Grounded theory thus represents a middle ground between the reductionism of the social sciences and the contextualism of the humanities.

Despite this, methodological treatments of grounded theory have privileged real-time, direct observation of phenomena in the field over remote sensing of historical phenomena and dynamics that by their nature cannot be directly observed (Israelsen & Mitchell, 2023). Many important organizational phenomena, such as the emergence of new organizational forms or the evolution of markets and industry, the institutionalization of organizations, the intergenerational transmission of values, or institution building, occur over extended timeframes that are difficult to capture with traditional field-based methods. Furthermore, complex issues like climate change, polarization, conflict, inequality, and technological disruption have historical dimensions that are crucial for understanding their current manifestations.

*Historically* grounded theory emerged from a recognition of the limitations in traditional grounded theory's focus on proximate field observations and represents an effort to systematically develop contextually sensitive theories of dynamic phenomena that evolve over extended periods of time. Historically grounded theory is thus a term used to describe an organic effort made by historical organizational scholars seeking to incorporate historical approaches into the prevailing qualitative research traditions of management and organization studies. Historically grounded theory enables researchers to trace long-term processes, identifying patterns and mechanisms that might be invisible in shorter-term studies.

This approach allows researchers to examine how organizational processes and structures evolve over long periods of time, potentially spanning decades or even centuries. By incorporating historical context, theories can account for phenomena within the dynamics of their broader social, economic, and cultural environments. This results in more nuanced and comprehensive explanations of organizational dynamics that go beyond snapshot views of contemporary phenomena.

Researchers gain a structured approach to analyze and interpret historical sources, moving beyond mere description to develop robust theoretical insights. The iterative process of data collection, analysis, and theoretical development helps ensure that emerging concepts are firmly grounded in historical evidence. This methodological guidance is valuable both for scholars with training in historical methods seeking to contribute to the qualitative social sciences as well as for qualitative social scientists who may be less familiar with historical research methods.

By incorporating rich historical narratives alongside abstract theoretical concepts, this approach can generate insights that are more accessible and compelling to practitioners. The use of historical evidence can be used to articulate theoretical points in ways that resonate with real-world managerial experiences. This increased relevance can help bridge the often-lamented gap between management theory and practice.

Historically grounded theory can also be challenging. Researchers must navigate the tension between providing rich historical context and developing elegant theoretical insights. Too much focus on historical specifics can limit theoretical development, while overly abstract theorizing may lose the valuable contextual grounding. Striking this balance requires ongoing reflexivity and skillful narrative construction throughout the research process.

The notion of ‘constant comparison’ in grounded theory development describes the iterative process of moving between empirical observations and prior literature, enhancing scholars’ ‘theoretical sensitivity’ (i.e., the capacity to recognize and understand the significance of an observation in relation to existing theories and concepts, and to generate new theories or concepts from empirical observation [Glaser, 1978]). In historically grounded theory, constant comparison with prior literature involves two forms: (1) moving back and forth between the setting and existing theoretical concepts and (2) engaging in constant comparison between observations and prior historical research (i.e., historiography).

The goal of such constant comparison is to develop and expand the theorists “historical imagination” (Israelsen & Mitchell, 2023). Historical imagination is a particular type of “theoretical sensitivity” (Glaser, 1978) that emerges from hermeneutic interpretation wherein scholars engage in thought trials and ‘mental time travel’ to past contexts. Historical imagination can be cultivated by constantly questioning whether emerging theoretical ideas are appropriate for the historical contexts they are studying.

Historical imagination is needed, in part because, unlike field-based research where data can be actively collected, historical research often relies on incomplete archival sources. Researchers must critically evaluate the available evidence, considering issues of perspective, representativeness and potential gaps in the historical record. This requires developing skills in source criticism and triangulation to construct robust interpretations from imperfect data.

Historically grounded theory requires a broad skill set that spans historical methods, grounded theory techniques, and domain-specific knowledge in management and organization studies. Developing this interdisciplinary expertise can be challenging and time-consuming. Researchers may need to collaborate across disciplines or invest significant time in expanding their methodological toolkit. Furthermore, the process of collecting, analyzing, and interpreting historical data can also be time intensive. Archival research often involves sifting through large volumes of material to find relevant evidence. The iterative process of developing theoretical narratives that combines historical detail and conceptual insights can also require multiple rounds of analysis and writing.

Historians often prioritize deep understanding of specific historical contexts, while management scholars typically aim for more generalizable theories. Reconciling these different disciplinary orientations can be challenging. Researchers must find ways to develop theories that are both historically grounded and offer insights that resonate beyond their specific historical cases.

## **Application**

Qualitative research in management and organization studies is increasingly expected to demonstrate transparency not only in verifying the reliability of empirical observations but also in the analytical moves taken by scholars to arrive at theoretical concepts and relationships. Gioia and colleagues (2013) describe a process of analytical abstraction using grounded theory techniques to demonstrate movement from “first order category” to “second order themes” to “aggregate dimensions”. Notably, however, the thematic analysis enabled by such data structures is insensitive to contextual changes that occur within the phenomenon of study over time.

The challenge for scholars conducting historically grounded theory relates to how to engage with sources in context sensitive way to produce theoretically meaningful interpretations of dynamic phenomena. Established templates for demonstrating rigor in qualitative research in management and organization studies are not well suited for this purpose. Despite this, historically grounded theory is well suited for demonstrating transparency in the process of theorizing dynamic phenomena.

Grounded theorists often use ‘coding’ and ‘thematic analysis’ to identify and interpret latent themes observed during analysis (e.g., Glaser & Strauss, 2017). In historically grounded theory, unlike in thematic analysis to elicit aggregate dimensions based on field observations within a given context (e.g., Gioia, Corley & Hamilton, 2013), efforts focus on hermeneutic interpretation in a dynamic historical context (e.g., Wadhwani, 2023). Hermeneutic interpretation is a term used in historical analysis to describe a process that specifically involves analyzing a text in its historical context (e.g., Wadhwani, 2023).

The term ‘theoretical sampling’ describes the evolving process of co-organizing empirics alongside theoretical frameworks that emerge over time (Suddaby, 2006). Unlike sampling criteria designed to elicit theoretical insight through comparative thought trials between cases (e.g., Eisenhardt, 1989), theoretical sampling criteria in historically grounded theory can enable comparative thought trials over time, often within a single case.

Organizational historical scholars demonstrate transparency and rigor in the process of historically grounded theory development by making explicit the hermeneutic process of interpreting texts in contexts and the theoretical sampling of events to construct conceptual narratives. This work can be achieved in the ‘methods’ and ‘findings’ section of an article. Additionally, the following table is sometime used.

**Figure 1: Example of hermeneutic interpretive table for historically grounded theory**

Hermeneutic interpretation of texts in dynamic contexts				
Theoretical sampling of events	Events	Text	Context	Interpretation
	Time/ period 1			
	Time/ period 2			
	Time/ period 3			
	Time/ period N			

Insofar as theory is the means whereby empirical observation is conceptually organized and, thereby, made comprehensible for a (scholarly and/or lay) audience, the hermeneutic interpretation process is a process of theory generation. However, in contrast to the Gioia and colleagues (2013) data structure that emphasizes abstraction away from context (first order categories → second order themes → aggregate dimensions), the hermeneutic table foregrounds considerations of context as a means of interpreting empirical evidence (historical sources and traces) to generate theoretical insight (i.e., interpretation).

Moreover, the theoretical sampling of events (as the focal unit of analysis) and their subsequent comparison for the purpose of explicating variation over time is, likewise a process of theory generation. However, again in contrast to an abstract thematic analysis, the identification of explanatory dynamics (in times or time periods) structures the grounded theory development process around conceptual narratives that explain the dynamics of phenomena that evolve across changing contexts and conditions.

This methodology has been implemented, with great effect, by numerous organizational historical scholars. Herein we focus on only two of such publications—Maclean, Harvey, Sillince and Golant (2018) and Sasaki, Kotlar, Ravasi, and Vaara (2020).

Maclean et al. (2018) focuses on Procter & Gamble's (P&G) strategic evolution from 1950 to 2009. The study utilized a variety of sources, including annual reports, executive speeches, oral history interviews, company magazines, and executive biographies. The researchers aimed to understand the strategic contexts and main drivers of P&G's strategies during two distinct eras: a diversified growth strategy from 1950 to 1989 and a global integration strategy from 1990 onwards. They compiled a financial and activity database to analyze P&G's capital structure, financial performance, and strategic investments. The findings highlighted a significant shift in P&G's strategy in 1990, marked by increased global integration and a focus on maximizing shareholder returns.

Notably, Maclean and colleagues (2018) work creatively from within the Gioia and colleagues (2013) template to provide a hermeneutic analysis of texts that is sensitive to context. They do so by locating direct quotes from specific textual sources (which represent their “first order categories”) within their two contextually relevant periods. Furthermore, they provide the immediate context for each source quote within the Gioia table itself. Only after this hermeneutic analysis has been conducted do they report their thematic analysis—thereby attending to the way in which abstract conceptual categories are grounded in specific historical dynamics.

The study by Sasaki et al. (2020) investigates the strategic identity statements of Japanese firms, particularly focusing on historical mottos known as “kakun” or family rules. The researchers collected extensive archival and contemporary materials, including 190 kakun from 110 firms, written between 1549 and 1946. The data analysis involved a comparative content analysis of historical and contemporary mottos, examining the values and rules of conduct they articulated. This step helped identify broader trends in the form and content of kakun, reflecting macro-level sociocultural changes. The researchers then conducted within-case historical analyses to compare different statements produced over time by each firm, placing these changes in their historical

context. This approach allowed them to understand the motivations behind the revisions and the implications for the firms' strategic identities.

To do so the authors conduct a hermeneutic analysis of 'discursive strategies' wherein they identify specific texts (quotes from archival sources) that are interpreted within theoretical implications within specific contexts. Instead of following the Gioia and colleagues (2013) template for elucidating and illustrating thematic analysis, Sasaki and colleagues (2020) use tables to conduct comparative analysis of firms according to 'discursive strategy', 'context' and 'implications.' This hermeneutic analysis enables the authors to, ultimately, identify five overarching strategies for 'dealing with the revered past', specific implications for strategy making whose dynamics they are enabled to theorize. This approach provided insights into the role of historical mottos in shaping the strategic identities of Japanese firms over time.

### **Critical summary**

Historically grounded theory offers a promising approach for developing rich, contextually grounded theories about organizational phenomena that unfold over extended time periods. By combining the systematic theory development process of grounded theory with historians' emphasis on narrative and context, it enables researchers to generate insights that resonate with both scholarly and practitioner audiences.

Finding the right balance between providing vivid historical narratives and developing abstract theoretical insights is an ongoing challenge. Researchers need to make thoughtful decisions about what level of historical detail to include and how to connect specific historical observations to broader theoretical concepts. This may involve developing new ways of writing and presenting research that can effectively integrate historical richness and theoretical clarity.

Ultimately, historically grounded theory offers a pathway to develop more temporally extended, contextually rich theories of management and organizations. By embracing both the systematic rigor of grounded theory and the narrative power of historical research, scholars can generate insights that illuminate both the past and present of organizational life.

Historically grounded theory offers a powerful approach for developing rich, contextually grounded theories about organizational phenomena that unfold over extended time periods. By combining the systematic theory development process of grounded theory with historians' emphasis on narrative and context, it enables researchers to generate insights that resonate with both scholarly and practitioner audiences. This approach can help address the perceived relevance gap in management research by producing theories that are both conceptually robust and grounded in concrete historical realities.

However, successfully employing this approach requires careful consideration of several factors. Researchers must develop a diverse skill set, secure access to high-quality historical sources, and navigate the challenges of balancing historical detail with theoretical abstraction. They must also remain reflexive about their own assumptions and work to establish the broader relevance of their historically grounded findings.

Despite these challenges, historically grounded theory holds significant promise for advancing our understanding of complex organizational phenomena. By embracing both the systematic rigor of grounded theory and the narrative power of historical research, scholars can generate insights that illuminate both the past and present of organizational life, offering valuable guidance for addressing contemporary management challenges.

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