REVIEWS & PAPERS READ AT 15th EDAMBA SUMMER ACADEMY

By W Brown, M Cruywagen and L le Roux, University of Stellenbosch Business School

2006

ACKNOWLEDGEMENT

This document is not intended to be a Working Paper in the conventional sense. It is a narrative which recounts a relatively brief, but profound, period experienced by three USB doctoral students on their long journey towards a PhD degree. From 13-19 July, Warren Brown, Marié Cruywagen and Lee le Roux attended the European Doctoral Programmes Association in Management and Business Administration's (EDAMBA) Summer Research Academy for doctoral students in Sorèze, France. They were the first from the USB to be accepted to attend the Summer Academy and indeed the first from South Africa.

This Working Paper contains a review of their experiences at the Summer Academy and also includes the papers which they presented and defended to a contingent of 35 fellow doctoral candidates, as well as high-profile faculty from all over the world. We trust that this Working Paper will serve as a motivation for future doctoral students from the USB to become members of the Sunflower Network, which Warren, Marié and Lee conceived for future USB doctoral students who attend the EDAMBA Summer Academy.

The USB became an official member of EDAMBA at its Annual General Meeting held in Helsinki on 4 September 2006. The USB is the first and only School outside Europe to be granted such accreditation.

We wish to thank Warren, Marié and Lee for the effort they made to attend the Summer Academy, for their contribution to this Working Paper and I whish them well in the completion of their doctoral degrees.

Prof Hein Oosthuizen
Head: Doctoral Programmes
USB Working Paper Service
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TABLE OF CONTENTS

Page

REVIEWS

Warren Brown – My experiences at the EDAMBA Summer Academy, Sorèze, France 1

Marié Cruywagen – Postcard from Sorèze 7

Lee le Roux – EDAMBA Summer Academy 2006: An overview and report back 15

PAPERS

Warren Brown – A study of investment fund performance, performance persistency, fund characteristics and market timing ability and their inter-relationships as determinants of expected future fund performance 25

Maré Cruywagen– The contribution of a case-based approach in redressing the assumed homogeneity in knowledge management research 30

Lee le Roux – Qualitative research: where we come from, how we judge. A reflection on positivist trappings 37

MY EXPERIENCES AT THE EDAMBA SUMMER ACADEMY, SORÈZE, FRANCE

Summer Academy Review

by W Brown, University of Stellenbosch Business School

2006

My experiences at the EDAMBA Summer Academy, Sorèze, France

- The venue and accommodation were perfect. However, the combined heat and humidity during the day made it difficult to maintain peak concentration levels through all the sessions. The weather also took its toll on me during my jogging expeditions into the beautiful countryside and to the nearby lake (Lac de St Ferrèol). It is about 4.5km to the lake only if you take the correct left turn at the bridge immediately outside of Sorèze. If you miss the turn, as I did the first time, you will pass through another town after about 5kms and will begin a grueling search for a lake that nobody seems to know the directions to (amazing!). Looking for a Lake in the blistering heat, without knowing how far away it is, is a stiff challenge. It turns out that it is about 3kms further on from the town, immediately after a long climb over the side of a mountain. In that heat, I recommend the shorter route to the lake – the one with the left turn over the bridge. The roads are single lane and are lined with hundreds of Planetrees, thereby ensuring that the concept of a safe sidewalk remains vague. Running alongside the road requires one to remain alert for oncoming traffic and ensuring that one sidesteps onto the very thin strip (a few centimeters) of area between the edge of the road and the trees, marginally avoiding the traffic that screams past.

- I developed a better understanding of the importance of Stellenbosch Business School's EDAMBA membership and what it meant for USB PhD students. The event provided an excellent opportunity for the three students USB students (us) to tell others about South Africa (even explain where it is) and about USB. It provided an invaluable opportunity for us to build an extensive and firm student and academic network across Europe (and in USA, Asia and North Africa since many of the students at European universities and some academics come from other countries) within a short time frame.
- Interactions with other students were invaluable. I was pleased to discover that most other "in force" PhD candidates share issues/obstacles that I thought were unique to my work, and me. Some of the issues and learning's that I discovered were relevant to all students are:
    - A supervisor is there to guide the student and should not be expected to provide solutions or answers to ANY problems or questions relating to the students research – it should be seen as a bonus if one does receive it. This may seem obvious but I was amazed at how many (PhD) students still expected an "under-graduate type" relationship with their mentor(s).
    - The supervisor has other issues to attend to besides one student's PhD study and is therefore not always available to attend to the student's issues immediately. Again, obvious but a good reminder.
    - There is never enough time and nobody can fix that for the student. Almost every student emphasized the shortage of time available for doing the necessary research and write-up.
    - Every student is anxious about the quality and relevance of their work. There is an awareness of the need to position one's work on the basis of practical relevance and uniqueness in contribution. Some topics appeared far off the radar screen to me at the start of the conference but after listening to various presenters, I realised the extent of the practical implications of the research being conducted in different areas of business studies.
- The academics/facilitators appeared to do their best to provide positive and constructive input to the event.
    - Many of the academics participated actively in some of thirst quenching sessions that were accompanied by deep philosophical discussions and carried on into the early hours of most mornings. The upshot of this was that students were able to experience the shocking revelation that academics are also "normal" people and do want to help whenever they are able.
    - The presentations that they delivered entrenched the importance of crystallizing one's research philosophy and methodology. My impression was that this is probably the most common basis from which students with different areas of research can communicate with each other (cross-selling of ideas within an inter-disciplinary environment) and that this will receive increasing attention in the future.
    - There was great emphasis on honesty and out-of-the-box thinking in research. The importance of being ethical in one's research and challenging paradigms was highlighted.
- I could not help notice that the average age of a doctoral student in Europe was significant lower that what can be observed at USB (or the converse, but I'm too young to be old). I am not sure what to make of this but I would imagine that the substantiated reasons supporting a preference for MBA students to have had prior working experience would support that preference being projected onto PhD students. A few of the students exposed their lack of experience in a "working environment".

My comments on the individual presentations.

Learning Lab Denmark - Prof Jensen

Please see Lee and Marie's comments.

Ethics, Researchers and Academic Life – Prof McCloskey

Please see Lee and Marie's comments.

Definition of concepts and meanings of names in management research - Prof Bonet

Prof Bonet spoke about tacit knowledge – knowledge that is not explicit, and the need to clarify definitions and context. He used a Socrates dialogue to show how Socrates diverted problems to the definition of concepts. The implication of Socrates' contribution is that concepts are already in us i.e. there exists tacit knowledge (e.g. consider the concept of a straight line). Concepts are the reality – use definitions to clarify concepts.

The one learning from this presentation was a method of getting closer to an appropriate definition of a concept which may be new or for which there is no immediate clear definition – clarifying tacit knowledge. A definition should be proposed and then examples should be provided for what the definition is NOT. This will help refine the definition (similar to applying a principle of falsification). In addition to this, an appropriate and relevant context for the concept should be provided. One may consider the approach of using a number of vague definitions that will ultimately clarify the definition of a concept. One should try to explain contain necessary and (if possible) sufficient conditions that apply to the definitions of concepts.

After a body of work has been completed, the researcher should consider using the results/findings to further refine the definition and context presented at the beginning.

Simplifying business research with statistics – Prof Hair –jhair3@comcast.net

Prof Hair presented an outline to a widely used statistics book that he co-authored. The book deals with multivariate analysis and contains a number of examples that have particular appeal to readers in the marketing-related fields.

A highlight of the presentation was his emphases of the growing use of Structural Equation Modeling – it seem to the "hot" statistical application at present.

Another highlight was the development of a protracted debate between Prof Hair and Prof McCloskey. Prof McCloskey started it (as usual) by saying that statistical significance testing was garbage. In support for her view she offered an example: if there was a tiny chance (say, really small, like 0.00005%) that a planet is hurtling through space toward earth and will collide with earth resulting in its total destruction, then this is something worth noting and reacting to, even if the probability of the event happening is not statistically significant. Prof McCloskey says that she uses a measure for such outcomes called "Inter Ocular Trauma" – the impact of something hitting one between the eyes. Prof Hair tried (during the few opportunities that arose) to defend the relevance of statistical significance testing.

The discussion highlighted the importance of considering the magnitude of the outcome in the domain of the test. If the event, that one is focusing on, is important (such as in the example above), then this needs to be included when evaluating the relevance of a significance test. Another example: Suppose that the probability of tomorrow's temperature being 0.000001 degrees higher than today's temperature is statistically significant, one would still have to evaluate the magnitude of the domain – does it really matter that there will be such a small temperature change. Many would agree that it does not matter and that the test is therefore unimportant.

The evaluation of statistical significance testing when doing research must include an evaluation of whether the relevant outcome matters!

Websites provided:
http://www.mcb.co.uk
http://www.ucalgary.ca/~newsted/surveys.html
http://www.misq.org/archivist/home/html

The method receiving increasing attention in recent times is Structural Equation Modeling (SEM). This method addresses this issue of multiple relationships between variables. Factor Analysis, path analysis and regressions are all special cases of SEMs. In SEM, interest usually focuses on latent constructs - abstract psychological variables like "intelligence" or "attitude toward the brand"--rather than on the manifest variables used to measure these constructs.

Analysis & Questions. The relationship between data and the objectives of the research – Prof Wright

Prof Wright provided a table for the project plan. The fundamental message was that a research exercise should broken up into segments (each with their own project plan) with the aim of simplifying and clarifying the key issues that need to be addressed. The project plan contains the following issues to address:

- Aim
- Objective
- Background/Problem
- Output/Outcomes
- Conceptual Issues
- Information needs: Primary and Secondary
- Data sources

The "Data sources" had a separate table that provided a refined framework for identifying and formalizing the key issues to b e addressed when organizing data for a research study. The "Primary sources" should distinguish between qualitative and quantitative data and then for each of these the following headings may be used to make further distinctions: Information required, Collection method, Sample and Analysis. The "Secondary sources" distinguish between internal and external sources and the followings headings may be used to make distinctions: Data/ Information, Location, Access and Analysis.

Many members of the audience resisted the rigidity of the framework suggested by the tables and presenter. Some resistance was sparked by the insufficient elaboration and explanation about what is expected to be entered into the table in order complete it.

Whatever the range of views and responses to the tables were, it appeared to be challenge for most of the audience to segment their research into clearer and simpler portions that would ultimately be easier to manage. Prof Wright suggested that her experience had led her to believe that most students work on a research project without planning it carefully which results in greater difficulties later in the project.

The contribution of empirical studies to theory and practice - Prof Jensen

Please see Lee and Marie's comments.

Preparing to defend your thesis – Prof Batteau

The different processes for the viva, followed in different parts of Europe, were explained. While each of the processes sounded daunting, it seems that the viva is also an opportunity for peers to evaluate broader aspects of the student's abilities that were developed during the time spend on completing a thesis. The student should use the opportunity to offer clear and careful responses to questions, indicating when specific issues have not been addressed rather than "waffling" or trying to "cover-up". It should be clear that the student has thought carefully about every issue relevant to the research AND be able to explain important (and sometimes complex) issues in simple language that will allow everyone to understand.

The quantitative/ qualitative divide – Dr Gourlay

Please see Lee and Marie's comments.

The Art of Writing for Academic Purposes – Prof McCloskey

This discussion started off with a demonstration of how widely some of the "incorrect" rules for English writing are taught and followed.

Prof McCloskey recommended some additional sources for reading:

- Paul Feyerabend, b~1930, d~1998, two books – Against Method and Against Reason (http://www.marxists.org/reference/subject/philosophy/works/ge/feyerabe.htm).
- Richard Rorty, b~1930, book – Philosophy and the nature of Knowledge (http://www.stanford.edu/~rrorty/biblio.htm).
- Hilary Putnam (http://www.fas.harvard.edu/~phildept/putnam.html)
- Her best writers are James March at Stanford University (https://gsbapps.stanford.edu/facultybios/biomain.asp?id=08044943) and Richard Lanham (http://www.rhetoricainc.com/).
- Howard Bekker: Writing for Social Scientists (1986); Tricks of the trade: How to think about your research while doing it (http://home.earthlink.net/~hsbecker/).
- C. Wright Mills: See the chapter "On Intellectual Craftmanship" in book called "The Sociological Imagination" (1976) http://www.faculty.rsu.edu/~felwell/Theorists/Mills/
- Wayne Booth and xxxx: The Craft of Research (1995) (http://www.amazon.com/Research-Chicago-Writing-Editing-Publishing/dp/0226065847)
- Gerald Graff and Cathy Birkenstein: I say, they say (2006) (http://tigger.uic.edu/~ggraff/research/index.htm)
- The best writers and users of the English language: George Orwell and Virginia Wolf.

- Also, see Duhem-Quine thesis: "The Duhem-Quine thesis asserts that any empirical evaluation of a theory is in fact a composite test of several interconnected hypotheses." http://en.wikipedia.org/wiki/Duhem-Quine_thesis and http://www.bu.edu/wcp/Papers/Econ/EconBoyl.htm.

POSTCARD FROM SORÈZE

Summer Academy Review

By M Cruywagen, University of Stellenbosch Business School

2006

J'arrivé!

The timetable indicated: "Arrival and registration – 19:00". It now was 18:00 and we were speeding through the French countryside. I was on my way to the EDAMBA Research Summer Academy in Sorèze, but first made a detour from Toulouse Blagnac airport to Bagnèresde-Luchon to experience the eleventh stage of the Tour de France. Needless to say, experiencing Le Tour first-hand was unforgettable but now a more important matter was at hand – the EDAMBA Research Summer Academy was one event I was adamant not to miss.

Finally the name of the town appears – Sorèze – and before I could blink we have passed through the town. On our second approach I spot the sign: "Hôtellerie Abbaye École de Sorèze". EDAMBA is hosted in a historic monument which was founded as an abbey in 754, restored as a monastery in 1636, and revived as a military school in 1776. Entering through the gates of the hotel and stepping into the courtyard, it was as if I was travelling back in time and I felt a sense of reverence.

The Abbaye École seemed the perfect venue for a meeting of students and faculty who wished to learn, discuss and interact without distractions from the outside world. Partners are not allowed at the EDAMBA Research Academy and after I have checked-in, my husband was off on a week-long holiday in nearby Les Cammazes, and I, unknowingly, was about to start one of the most inspiring weeks in my life!

Enchanté!

Probably the main reason EDAMBA will remain unforgettable, is all the wonderful people I have met, and the lively and interesting debates and discussions we've had. It truly left me energised, excited and motivated and mere reflection of the week's events bring back the same feelings. Upon arrival at the first evening's cocktail reception, I received my name tag and noticed another person's name on the back as well, but did not pay much attention to it.

Later the evening we were introduced to the "twinning activity", whereby one had to find the person whose name was at the back of one's name tag and have an informal discussion with that person to get to know one another better. Each pair of "twins" then had to introduce one another to the rest of the academy the following day. This was an excellent way to get to know all the students in a relatively short period of time.

EDAMBA truly had a global flavour, with students and faculty hailing from all over the world. I thoroughly enjoyed the interaction with so many people representing so many cultures. It was somewhat disturbing to see how little people still knew about South Africa. The most shocking, albeit genuinely concerned question to me was whether we lived amongst wild animals!

What made the interaction with my fellow students thoroughly enjoyable was the informal and supportive atmosphere. All the students were approachable and I experienced all questions and comments being genuinely aimed at gaining a better understanding or at making a positive contribution. I never experienced any rivalry, only camaraderie!

Vague de chaleur!

It was July and France was in the midst of a heat wave, with the mercury hovering at 40C everyday! Because the hotel is a historical monument, there is no air conditioning and we could tell. Thinking back, it was probably not totally unbearable, but it definitely affected the level of concentration during lectures.

On the positive side, during the leisure times the hot weather allowed for exploration of the surrounds and plenty of socialising on the outside terrace. It must be said that one shouldn't go to Sorèze expecting to have plenty of rest. With the heat and intense academic activity during daytime, and the socialising at night time, I would recommend that one goes to Sorèze fully rested, especially since the sun doesn't set before 22:00 in the summer.

The best time to recharge one's batteries probably was during the picnic at the nearby Lac-de-Saint-Ferréol and the trip to Carcasonne. Having visited Carcasonne on a previous occasion, I used the opportunity for silent reflection and practicing my hobby – photography. Carcasonne is a medieval city approximately 50km from Carcasonne. The walled city has a number of beautiful and interesting buildings, shops and cathedrals and plenty of photo opportunities, not to mention all the tourists.

The bus ride to Carcasonne also offered the opportunity to see the French countryside in July, when it is covered in fields of Sunflowers – an unforgettable sight! Carcasonne is a must-see and was a welcome break from the intense EDAMBA schedule.

Bon appétit et bon voyage!

At "Les Collets Rouges", the hotel's restaurant, we enjoyed French cuisine at its best! What a privilege it has been to be served the finest food, by the finest waiters for whom nothing was ever too much trouble. The time spent around the breakfast, lunch and dinner tables were just as productive as the time spent in the conference rooms. Never a silent moment. Never a dull moment. Only lively discussion and laughter.

Another privilege was to be hosted in France on Bastille Day – 14 July. Under the initiative of Deidre McCloskey at dinner we all joined in singing La Marseillaise at the top of our voices. I hope we did not offend the French! The final evening's celebration dinner was a fivecourse meal in typical French style – unforgettable. Not only because of the excellent food, but also the toasts proposed by each student in a manner traditional to their culture. It was a lot of fun and also touching. I felt a sense of sadness that such an exciting week had to come to an end.

EDAMBA and Sorèze was a life-changing experience. It broadened my cultural horizons. It motivated and encouraged me anew in my research efforts. The phrase "rigorous thinking" has probably been imprinted in my mind forever. It gave me new courage and reminded me that honesty in everything you do is an imperative. Most importantly, I made new friends. Some who will remain friends, and others who, even if it was only for one week, have touched and changed my life for the better.

EDAMBA Research Summer Academy 2006: Summary of Lectures - Initial Stages Stream

1. *Academic and commercial epistemic virtues: when science meets business*

Professor Hans Siggaard Jensen delivered the key note address. The session provided an interesting insight into the challenges faced by academia in the knowledge society of the 21st century.

The knowledge society demands a closer relationship between science and business in using and creating knowledge. Politicians are also becoming more dependent on scientific knowledge for ensuring economic growth. One danger is that politicians and business increasingly want to control universities and their research efforts. When compared to the industrial society, universities and academia can be seen as the "coal mines" of the knowledge society. In Denmark, Finland, Switzerland and Sweden projects are underway to investigate how the government resources put into universities can be used more efficiently. The various governments want to create a more efficient flow of knowledge from academia to business. Academic institutions need to stand firm on ensuring academic freedom, meaning that no restrictions should be placed on what academics put in their hypothesis. Hand-in-hand with academic freedom should go commercial freedom, meaning that scientific research should not be restricted by demands from business. An epistemic ethos should guide all research. The set of norms firstly includes communism, but not in the political sense. This refers to the notion that knowledge is something everyone owns, which is why academia publishes and makes their knowledge public. Secondly, universalism accepts that knowledge is knowledge in all cultures and shows a disregard for hierarchy, as illustrated through the peer-review system based on the principle of anonymity. Thirdly disinterestedness refers to objectivity in the sense that researchers are not supposed to take side because of their personal interests. The final norm, organised scepticism, means that new ideas should be discussed in an organised manner, and that only ideas that survive the scrutiny should become scientific facts or knowledge. Some fundamental differences between academia and business complicate the partnership. Epistemic virtues such as epistemic authority, epistemic self-governance, truth, innovation, originality and efficiency are exercised in vastly different ways in business and science. History has shown however that the epistemic virtues of science are the longest surviving of the two.

2. *Ethics, researchers and academic life*

Professor Deirdre McCloskey gave an excellent lecture on the seven principle virtues and its role in research. The lecture also highlighted a problem in using the so-called "test of statistical significance" in research.

The seven principle virtues discussed by Prof. McCloskey are hope, faith, love, justice, courage, temperance, and prudence. A lack of any one of the virtues will result in persons allowing their emotions to control them. A number of questions were asked about difficulties and personal conflicts occurring when doing research. Prof. McCloskey's wise answer can be summarised as follows: "the way to be a good scientist, is to be good as a person". In other words, to be a good scientist, one has to be courageous and honest in one's intentions.

The lecture also highlighted some problems with using the "test of statistical significance" in research. This method is mostly used in sciences of medicine, economics, psychology and sociology, but not at all in physics, astronomy, geophysics, and chemistry. Prof. McCloskey explained that the problem with the test of statistical

significance is that it doesn't answer the quantitative, scientific question of "how much", but rather "whether", and that it therefore isn't really a scientific test, but rather a philosophical test. In Prof. McCloskey's own words: "Instead of asking How Much it asks a very peculiar substitute question: Is the number more than two or three standard deviations away from zero, supposing it was the outcome of a proper random sample? For the relevant scientific question - How much oomph does this variable have? - the technique substitutes an irrelevant question about "precision-at-an-arbitrary-level-given-a-sampling-problem" - which is supposed to tell whether an effect exists". Statistical significance actually tests closeness of fit while it should rather be about "oomph". For a more in-depth discussion of this argument, Prof. McCloskey advises reading "Size matters: how some sciences lost interest in magnitude and what to do about it" (Ziliak & McClsokey, 2005).

3. Formulating doctoral research projects (3 sessions)

The approach outlined by Dr Stephen Gourlay and Dr Thérèse Woodward was invaluable in helping me clarifying the aims and research questions of my research. I would definitely recommend this session to all students who are in the early stages of defining or clarifying their research topic, who are about to prepare a research proposal, or who are preparing for the data collection stage of their research.

When embarking on researching and writing a doctoral thesis it is essential to clarify your ideas. Preparing a doctoral thesis could be managed as a project. A staged approach is recommended for developing and writing the research proposal. The approach should include producing a topic statement, writing a problem statement, working on a data needs matrix, and the writing the project proposal. The topic statement should provide an outline or statement of the purpose of the research. The problem statement has two key features. First it sets out the aims of the proposed project as clearly as possible, indicating the boundaries of the research project. Secondly it lists the research questions. Generally four types of key questions can be distinguished. First, goal type questions which focus on the reasons for which the research is being done, i.e. questions the research is intended to answer. Second, conceptual questions which focus on how to think about the topic, i.e. what conceptual frameworks, models and theories are relevant and what problems and concerns are there about these models? Third, empirical questions which provide insight into the data required to answer the questions. Lastly, methodological questions which focus on the methods to be deployed for data collection. The data needs matrix is a tool developed at Kingston University to assist with thinking through the methodological and practical implications of the research questions. The central idea is that for each empirical research question one should identify the data that need to be collected in order to answer a question, where the data will be found, how the data will be collected, what practical and ethical concerns will influence data collection and analysis, and how the data will be analysed. The data needs matrix highlights the importance of clarifying one's aims and developing research questions.

4. Constructs measures and questionnaire design (2 sessions)

Professor Hair provided an extensive overview of the events leading up to him writing his famous book "Multivariate Data Analysis". As a result the time available for his lecture was drastically reduced and not all the important elements could be covered, be it through lecturing or questions.

A problem represents a gap between actual and desired results. Problems can include existing

problems in as well as the quest for idealistic states in the future and the pursuit of opportunities. A unique contribution in research consists of three components, namely method, theory, and context. A unique contribution can for example be claimed when using an existing method in a new context. Often addressing one of the three components is enough to be considered making a unique contribution. Some key concepts that were highlighted:

- Theory: a systematic set of relationships providing a consistent and comprehensive explanation of a phenomenon;
- Theoretical framework: a written description that includes a conceptual model and integrates all information about a problem in a logical way.
- Hypothesis: a preconception we develop regarding relationships represented in data, typically based on a theory, business practice or previous research.

Typical research design types include exploratory research, descriptive research and causal research.
Prof. Hair made an interesting comment about the sequence of questions in a questionnaire. He recommends a sequence of first Introduction, then Research Questions and Demographics only at the end of the questionnaire, except when demographics is used for screening purposes, for example a specific gender or age range.

5. *Narratives in management research*

Professor Edaurd Bonet provided an interesting overview of the use of narratives in management research. For me it was particularly interesting because of the central role of narratives in knowledge sharing. Also of great value was the discussion of the role of narratives in interviews and case studies.

Prof. Bonet introduced history as a science and narratives as a way to discover universal laws. Examples of narratives include annals, chronicles and stories. Annals present objective facts of history in a fixed structure with the year in one column and the main events of the year in a second column. The events are not related but should be viewed as individual propositions. While a chronicle also lists events, the events are related and more closely provides an account of history. Although there are an infinite number of events in history, annals and chronicles only present a selection from these. Furthermore a chronicle just ends without a conclusion or summary. Stories on the other hand are structured with two important elements, namely a plot and an ending which give meaning to events. The same events can be organised in different plots and endings to make different stories. Narratives in companies can provide a lot of insight into existing issues within the company. It is important to be aware that employees could have different stories and interpretations about a single event. Narratives are of great importance in interviews and case studies. The interviewer should aim to provoke narratives in interviews because of the tendency of people to answer questions with theories while the interviewer is looking for reality. Narratives provide the means for getting to the reality of issues. It is important to remember that interpreting the narratives is not just about summarising the discussion, but rather about looking for the meaning of the words that were used.

Prof. Bonet recommended a number of books on the subject of narratives:

- Narrative knowing and the human sciences by Donald Polkinghorne;
- Actual minds and possible worlds by Jerome Bruner;
- Annals, chronicles, stories by Honey White;
- Sense making in organisations by ?;

- Basics of qualitative research: techniques and procedures for developing grounded theory by Anselm Strauss and Juliet Corbin.

6. *What will be your contribution? Theories, concepts and constructs*

The format of Professor Gill Wright's session was an unstructured and open-ended discussion.

The purpose of the session probably was to make one think about one's own contribution to research. Questions that were discussed included: "what is a thesis? What is a concept? What is a construct?" The discussions were somewhat chaotic and inconclusive. The session also ended 20 minutes ahead of the scheduled time and unfortunately did not add a lot of value.

7. *Business and management studies as applied science*

Professor Hans Siggaard Jensen presented an interesting session about the development of methods in business research, also focussing on how to solve problems by the use of theory.

Business research is conducted to secure some form of optimality in a single business, an industry or the business system, and to understand the type of social phenomenon that business is. Business research can be traced back to as early as 1492, although of course it wasn't recognised as business research at the time. Some traditional methods of solving practical problems include trial and error, consulting based on the medical model, the engineering model based on understanding causal relations, and the controlled trial which is the same as the statistical methodology. In business research solutions to practical problems can be achieved in different manners. Through consulting a problem can be identified and solved by using a repository of similar cases. Through research one can attempt to understand why something works or why something doesn't work and through reasoning attempt to provide new solutions by using explanatory theories to identify potential changes or changing the conceptual framework, the latter which presents the best defence for usefulness of business research.

8. *The art of writing for academic purposes*

Professor Deirdre McCloskey's session on writing for academic purposes was insightful and the scene for some lively discussion and disagreement.

To me the session was an eye opener! It became clear to me that over the years students have become conditioned, and sometimes even forced, to write in a style that only clutters their thinking with unnecessary words. Instead of thinking about the clearest way to convey our thoughts, we think about the "expected" way of conveying our thoughts and end up with clumsy sentences and hidden messages. From the discussions it was interesting to note how writing in an overly formal manner was expected to illustrate the high level of one's education. A book recommended by Prof. McCloskey to assist with the process of writing: The tricks of the trade: how to think about your research while doing it by Howard Becker.

9. *Using CAQDAS*

Dr Thérèse Woodward and Dr Stephen Gourlay presented an overview of Computer Assisted Qualitative Data Analysis (CAQDAS) techniques and software.

Having recently decided on a qualitative approach to my research the session was very informative, especially the demonstration of one of the software products available to assist with qualitative data analysis. I think the product that was demonstrated is called Qualrus, but some of the students indicated that they were using NVivo and ATLAS which is also considered to be a very good software packages. I have downloaded the trial version of Qualrus, NVivo and ATLAS and will in due course do an evaluation of the three packages to choose a package that will best fit my requirements for qualitative data analysis. The working paper "Choosing a CAQDAS package" (Lewins and Silver, 2006) available at http://caqdas.soc.surrey.ac.uk/ChoosingLewins&SilverV5July06.pdf provides a good overview of the most popular CAQDAS packages available in the market.

10. *Developing an effective student/supervisor relationship*

Professor Pierre Batteau facilitated a discussion of student/supervisor relationships for the initial stages stream.

The format of the session was a discussion with each student being asked to describe how they ended up with their current supervisor and what the nature of the relationship was. In some instances students are awarded supervisors without any input from the student, while at other universities students had the opportunity to provide more input. Most students only have one supervisor and were fairly satisfied with the quality of feedback received from their supervisors. It was interesting to hear Prof. Batteau cautioned the students to be aware of situations where supervisors abuse the relationship with students by giving them work to do which falls outside the scope of the PhD, such as evaluating tests or assignments of other courses. Prof. Batteau also stressed the importance of discussing expectations of the supervisor and expectations of the student as early as possible to ensure a productive working relationship.

EDAMBA SUMMER ACADEMY 2006: AN OVERVIEW AND REPORT BACK

Summer Academy Review

By L Le Roux, University of Stellenbosch Business School

2006

1. Introduction

The setting.

I had the privilege to attend the EDAMBA Summer Academy in France earlier this year. It was a time of making new friends, understanding how to make my doctoral research a bit better, learning about the work other people are doing and understanding that this quest of doing a PhD is not necessarily a lonely one.

The purpose of the Summer Academy is to bring together PhD students from member Business Schools of EDAMBA for a period of time, whereby lectures are presented by European Faculty members, and students have the opportunity to present their work and obtain input from both Faculty and student peers.
This year there were 35 students, originating from all over the world (as far a field as Russia, Thailand, China, and South Africa – for the first time - and Sweden).

The Academy is presented in two "streams", one for students in the early stages of their PhD (initial stages stream) and one for students who are further down the track (advanced stages stream). Many of the Faculty presentations and lectures are held to the Summer Academy group as a whole, and then you split into your "stream" for specific lectures and for the presentation of your research to smaller groups.
I attended the "advanced stages" stream.

The thoughts in this document are my own subjective experience, feelings and analysis. I do not profess it to be "academic", nor "representative", nor anything but my views and observation. For that, I take full responsibility.

2. The experience

Lee, Warren and Marie

I admit to feeling somewhat daunted and intimidated before going. It felt a bit like going on a six day colloquium, with the added pressure of being told the Profs are amongst the best brains in the world and the students from the top European business schools. Yes I know we are tops too, but …

We arrived in the most oppressing heat wave and were sweating long before any of us did our presentations. We (being Warren and I) waited at the Toulouse train station for more than 3 hours to be collected – some misunderstanding about time, or the bus having got lost - yes, in France too! We quickly figured out who our fellow students were, since they were also sweating profusely and looking somewhat lost. We quickly made friends and small talk. Thankfully the bus that took us from Toulouse to Soreze was air-conditioned and the hour trip went quickly. My most vivid memory of the trip is that of fields upon fields of sunflowers, dilapidated and ancient old barns (how I'd love one) and slate-roofed castles and other lovely Provence houses.

On arrival at the Abbaye-Ecole I was slobbered all over by Dr. Terese Woodward's dog (aah, at least one friend I thought) and we walked along a dirt path to a complex of beautiful, old, stone buildings. Founded as an abbey in 754, it was destroyed and pillaged several times over the centuries. King Louis XIII gave it to Dom Barthélémy Robin in 1636, and he in turn restored the buildings and made the monastery an affiliate of the congregation of Saint-Maur. The Benedictines opened a school in 1682. Louis XVI raised it to the rank of Ecole Royale Militaire in 1776 … and here endeth the history lesson. But you understand that the place is steeped in history and quite imposing.

The Abbey School and its 6-hectare estate of lovely gardens and a lake, along with part of the village of Soreze are listed as historical monuments in France (one of the reasons why there are no air-conditioners to be found in the Abbaye and the water- and loo-system makes the most frightful noises whenever water is used). The place is breath-takingly beautiful and ancient and one feels the wisdom seep through its walls. Which was just as well for the start of the Summer Academy, I thought, and hoped some of the wisdom would seep into me.

A "welcome and enjoy your time" fax propped up in Reception from Prof Oosthuizen made us three from the USB feel rather special. Any nerves we might still have were quickly dissipated by a big fat kiss (not sexist, just welcoming, only for the "girls") and a firm handshake for the "boys" from an old guy in shorts and a t-shirt – who

turned out to be Prof Eduard Bonet! Girls and boys being somewhat appropriate. I was surprised to find that most of the students from the other Schools were much younger than my perception of our PhD profile USB, (speaking for myself, of course) and only a few of them had any actual work experience. I am still not sure what to make of it or what it means, if indeed anything.

Supper started the rot. For 6 days, three times a day we were treated to top-class three-course French cuisine. You felt you had to skip a meal, life at home does not consist of three 3-course French meals (or indeed French wine), but every mealtime, there we all were! What a treat and what an experience. A time when you got to know your fellow students, what made them tick, and also what they were working on. You discovered people working in your field, what a joy; exchange email addresses; send me your reference list. You chatted to the Faculty about some issues in your research. You explained to some of your fellow students that there are no lions in the street and yes, you are a fifth generation South African despite looking European. (On doctoral level? But true. Whatever is South African marketing doing??) There was true interest and camaraderie in what you were doing and how we can all make what we are busy with better. I loved that.

The lectures were interesting, albeit not always what I expected. However, I did go with the selfish attitude of only wanting to take out what was relevant to me and for my dissertation, and in this, there was something to be learned from everyone. (A summary of the lectures and my take-out is included later in this feedback.) My focus was always on "how can I use and/or apply this" and I came away with a host of insights and a better overall understanding of how the devil is in the details of the argument. Also in the student presentations (a la colloquia, just infinitely more "friendly" and of a supporting nature), feedback from both the Faculty member present and student peers on everyone's papers provided input on how to improve my own dissertation. These presentations of ones' work to your group filled all of us with dread. To have all those brains crit your work! Fortunately (to my mind) I was "first up" (luck of the draw I guess) and, using acetates since PowerPoint was "verboten", I managed to get the presentation done without a heart attack. What amazing input and reactions I got. It was not a "crit" at all; rather constructive, thought-provoking and positive assessments of where I am unclear in my thinking and what people thought should enhance what I am doing. On a subjective note, I am pleased I got it out of the way quickly. Made me concentrate on and enjoy the other student presentations more (a tip if you consider going to EDAMBA Summer Academy, which, really, you seriously should, if you're doing/wanting to do your PhD at all).

A (pleasant) surprise to me was the number of students doing qualitative research. In the "advanced stream" there were as many as nine (out of 16) qualitative dissertations, which meant a lovely time was had by us all to find we are not "voices in the wilderness", and that really interesting and fresh management research was being done from this orientation. I learned a lot from the approaches of other people in this field and how to add to what I am doing. But I also learned a lot from the questions asked by those students steeped in the quantitative tradition. So, whichever way you looked at it, there was a lot to learn.

It was not all work. A picnic at a lake on the way, and a trip to Carcassonne, an interesting medieval hilltop town made for a stimulating afternoon, if you are into really old places. Since the pre-Roman period, a fortified settlement has existed on the hill where Carcassonne now stands. In its present form it is an outstanding example of a medieval fortified town (so they say in their brochure), with its massive defenses encircling the castle and the surrounding buildings, its streets and a spectacular Gothic cathedral. In The fortifications are truly magnificent, but they now protect countless fairly mindless shops aimed at tourists – which I found disappointing. However, the place is over 2000 years old and visually nothing has really changed that much since the 13th century. One does not need much imagination to be back in the Middle Ages when you walk around the streets of Carcassonne.

Despite the "touristiness" of the place, if you look beyond the trinket shops and ice-cream parlours and postcards, I loved it! Ancient, worn, wise, primeval and with a sense of presence and history.

The African contingent outside Carcassonne

This was not all. Despite good suppers and copious amounts of French wines, a little pub around the corner from the Abbaye saw many of us there "after hours". Since the village of Soreze "closes down" at about 10h00, the main street becomes a place of putting down your chair, filling up your glass, for some, repeatedly, and chatting more, philosophical and otherwise.

The best about EDAMBA, however, are the people. And although the Faculty is great, and clever, and provided much food for thought, and good lectures for the most, EDAMBA is about the friendships, and empathy, and sense of esprit de corps, and diversity, and willingness to contribute, and supportiveness amongst the student peers. It is about true interest in what you are doing, and what it means, and what comments will help you on the way, even if from left-field, without posturing or intellectual one-upmanship. It is an unforgettable experience, with value way beyond any measurement you can think of (if you are that quantitatively inclined)! Mostly it is about good-fellowship and interest in your work that continue beyond the six days. It is about reciprocal communication and regard for your work, keeping in touch and being a motivation and inspiration to keep going. I am not a gaga kind of person, and would ordinarily take a dim view of these things, but, I truly treasure the exposure, insight and friendships gained at EDAMBA.

If at all possible, and you're either thinking of or busy with your PhD, do go. You will gain so much which will help you to "keep going" long after you get back.

3. Summary of lectures

The lectures provided the food for thought, the new way of looking at things, the contact with "rigorous thinking" and a "critical approach to find the oomph of your data". They provided the basis for discussion, and depending on what you wanted to do with it, got the grey cells going. I provide a brief summary of these, which, as I said before, is a mercenary and narcissistic viewpoint of my own personal take-outs.

Listening intently during Faculty presentations

Prof Hans Siggaard Jensen
Keynote address "Where science meets business"

We were given a lot of pre-reading on hugely philosophical material by prof. Jensen. This presentation was of a highly philosophical nature (e.g. the views and work of Weber, Hurter, Fichte, Adam Smith), but interesting in demonstrating the disparate approaches to knowledge and research followed by academia and business. I enjoyed the lecture, even though I am still not sure "that science does meet business" – yet.

My take-out was that if you want to make a contribution, your work has to be relevant in both worlds. Also, as practitioner (in the business world) and student (in the academic world) we have an obligation to start bringing the two worlds closer together through educating the one about the other.

Key Points:

- Discussion on how business and academic communities work.
- Knowledge society connects these two.
- Business is both using and producing knowledge.
- Universities are the "coalmines" of business.
- Needs for educating business community that has little understanding of and insight into academic research.
- Virtues governing epistemic knowledge include authority (who decides what is "right"); self-governance (peer review); truth (lots of meanings); innovation; creativity; originality; efficiency.
- Virtues governing business include success (based on competition); survival (of the business) and risk-taking (high risk equals a high gain)...
- Thus controlled by different values.
- Need to open these "borders" and gain more in both spheres.

Prof Deirdre McCloskey
Ethics, researchers and academic life

Larger-than-life, dynamic, uniquely American, extremely confident, provocative, sometimes argumentative, but a Nobel nominate with a razor sharp mind – a woman after my own heart. She challenged "conventional academic thinking" mostly based in positivism. Her being an economist really got me thinking when she claimed there was no such thing as the scientific method and that statistics and statistical significance were farces! She purposely set out to be controversial by bringing the "heart" into what and how we think about academic (and therefore our) research.

My take-out was that if you don't care about what you do and you are not true to at least some inherent virtues, you will not make a good researcher and your work will not be good. Good researchers and/or scientists are inherently good people.

Key Points

- "No such thing as the "scientific method".
- Statistics are there to help you choose things that fit rather than things that work.
- To understand knowledge you must understand (and have) ethics.
- To do good work you must be a good person: with pagan values of courage, temperance, justice, and Christian values of faith, hope and love.
- Prudence is not scientific knowledge or wisdom, but practical know-how of how to get things done.
- There is a danger for researchers in being dictated to by the bottom line in business, don't let the money get in the way of you findings.
- All research should give "intra-ocular trauma" – i.e. does it hit you between the eyes, does it have "oomph"?
- You need to be courageous and have the virtues of a "good person" in academic research.

Prof Eduard Bonet
Definition of concepts and meanings of names in management research

Another deeply philosophical presentation with an involved discussion on Socrates and Socratic dialogue (with a bit of Plato thrown in) to explain how to apply academic rhetoric.

My take-out was that in doing our doctoral research, we have to follow the dialogue of what we want to say, we have to look for what doesn't fit, or for counter arguments, we have to be satisfied with our methods. We have to think deeply, from all perspectives and consider all possible arguments. In the presentation of our work, we have to convince and clearly communicate ideas from within our view of the world which we understand and can explain to others and make them see it in the way we do.

Key Points

- Two things in theory building are to define the concepts and to describe the precise meaning of words.
- Do you care or not about the essence of things, and whichever it is, you need to be able to explain it clearly and provide your justification.
- In your dissertation you need definitions to be crisp and clear, which are accepted by academic consensus, and you need to work with the meaning of names.

- Meanings are associated with context, describe that and tell the narrative story of new things and/or how things appear.
- Academic discourse is all about the discussion, the argument – how well you can present and convince and explain.

Prof Joe Hair
Simplifying business research with statistics

An energetic, entertaining and thorough presentation on Stats 1 multi-variate analysis and statistical techniques. Good for "brushing up on the definitions", but I found some of the (marketing, one of my first loves) examples more interesting than the contents of the presentation. I should have liked to know how to "simplify business research with statistics" on a more abstract level. Also, I did not particularly want to hear how the Prof's book came about and how many times it's been quoted.

My take-out was that sometimes statistics are good and you can really get snarled up if you don't know what you're doing!

Key Points

- Last three years generated more data than the last 1000 years!
- It is sometimes useful to count.
- Statistical techniques impact on many decisions, e.g. the variate, measurement scales, measurement error, techniques used.
- 40 000 Cokes consumed every second on earth.
- All techniques come with a price.

Prof Gillian Wright
Analysis and questions. The relationship between data and the objectives of the research

Subjectively I did not enjoy this presentation, as the use of qualitative, inductive research was dismissed within the first five minutes without the anticipation of further discussion. Since more than half of the students in the advanced group were doing largely qualitative studies, this was not good for an empathetic attitude. Also, it was an extremely unstructured and sometime chaotic session, without seeming to have objectives or prior consideration for an audience of people who are quite a way down the line with their doctoral research.

However, my take-out (not based on the presentation, rather the hand-outs) was that it is useful to look at each individual research objective and decide where and how it fits into the research problem; what is it that you want to get out and where are you going to find the data.

Key Points

- Information plan to be developed defines each data collecting activity and the objective it informs.
- For each objective, define the background/problem; output/outcomes; conceptual issues, information needs and data sources.
- For data sources, specify the exact information required, collection method, sample details and analysis protocols.
- Imagine what your output is going to look like.

Prof Jensen

The contribution of empirical studies to theory and practice

Another interesting and philosophical presentation on the nature of scientific research and what it means to make a contribution. All researchers "must make a judgment", whether qualitative or quantitative. It is the informed nature of these interpretations that matter, i.e. what are the practical consequences of the decisions that one makes. One needs to know how much it matters when you make a claim. You need to convince readers about your argument, even if they do not agree with your stance.

My take-out was that we need to extract relevance from what we do by knowing what is significant in the domain where we're working, and that this needs to be supported by a "set of virtues" whereby we adhere to the rules of the game – in both the academic and business worlds.

Key Points

- There is no universally "correct" method, only appropriate methods.
- Disagreement is an inherent part of the academic society.
- One may often get agreement for totally different reasons, be sure you know where you stand.
- There is an academic pre-occupation with methodology – we need to care more about our results, the "game", how much it matters when you make a claim, how your work impacts on life in the business world.
- Any doctoral programme in business schools should marry academia with the practice of business – if it's either the one or the other it should be questioned.
- You won't know what's significant if you don't know your domain.
- Stick to rules, but never a set of exhaustive rules – flexibility is and should be inherent in all research.

Prof Pierre Batteau

Preparing to defend your thesis

An interesting overview of the processes of doing, completing and handing in one's dissertation in various parts of the world. Also looked at the traditions and "invisible behavioural codes" at play in the academic world, and which at PhD level one needs to take cognisance of.

My take-out was that it is by very rare exception that a thesis "goes through" without changes the first time and I'd better be prepared for it; and that ongoing preparation and reading (even if the thesis is "in") prior to the viva is critical.

Key Points

- Viva is for exposing what you have done, for you to discuss your findings, market your ideas.
- Prepare hand-outs pre-defence: can/will everyone understand?
- Anticipate the questions people will ask and prepare your answers – but more importantly answer those in your thesis!
- Have a preparatory viva with colleagues and peers.
- Recognise the limitations or how you would have done things differently.
- At the end you must feel "I've gotten to the frontier", not feel like a student anymore.

- Be passionate, honest, sincere, proud (but not false pride), enthusiastic.

Dr Stephen Gourlay
The quantitative/qualitative divide

In essence a presentation about marrying one's methodology with your research question. To me the discussion about "the divide" is outdated and the need to define your research questions prior to decisions about research approach self-evident. However, the presentation confirmed how important it is to describe how one's philosophical stance and outlook informs one's research design, since a criticism of many PhD work apparently is that the, chapter on the philosophical position often does not mean much within the piece of work and is merely "attached" because "it has to be there".

My take-out was that the "divide" is still alive and well in the minds of many academics and researchers and therefore it is critical to clearly describe one's position and not assume that others too, will see the qual/quant debate as passé.

Key Points

- Positivism a term of abuse – used as the "evil one out there", however, that thinking gets in the way of the contributions made on both sides of the "divide".
- Can be practical to mix methods.
- Base your decision on appropriateness for your research question.
- Come down from the philosophical stratosphere and look more closely at the appropriateness of the methods you use …
- … But do justify your philosophical position.
- Our assumptions as researchers influence our interpretations.

Prof McCloskey
The art of writing for academic purposes

A hard look at the things we do when we write and how students (and other academic writers) get it wrong most of the time. This presentation pointed out how to approach academic writing with rigour, yet be creative and interesting, how to avoid common mistakes and stick to well-accepted rules.

My take-out was that I (still) do the "tell them what you'll tell them, then tell them, then tell them what you've told them" which according to Prof McCloskey is the biggest no-no! Also, a very useful list of do's and don'ts was provided.

Key Points

- As a scientist/researcher your purpose is to change people's minds to your way of thinking.
- Purpose of academic writing is to "sweet-talk", to persuade – if you don't do this it is "bad science".
- Attend to invention (getting ideas, facts, collecting evidence); arrangement (write according to what's expected in your School); style (be good and write clearly).
- "To get academic prose, we need to get over academic pose".
- Write in a way courteous to your readers.

- Stick to conventions regarding punctuation.
- It's not only a matter of presenting your results and walking away – if you haven't made someone angry you have not discovered something new.
- Write in a way that "your Grandmother will understand".

Overall, it was an amazing experience, mostly because of the people and the positive, friendly and wanting-to learn atmosphere. It is something well worth doing when you are either some way down the line with your PhD, or wish to embark on the process in future.

A STUDY OF INVESTMENT FUND PERFORMANCE, PERFORMANCE PERSISTENCY, FUND CHARACTERISTICS AND MARKET TIMING ABILITY AND THEIR INTER-RELATIONSHIPS AS DETERMINANTS OF EXPECTED FUTURE FUND PERFORMANCE.

Paper read at 15th EDAMBA Summer Academy

By W Brown, University of Stellenbosch Business School

2006

Abstract

This study focuses on the causal relationships between fund performance and fund characteristics. It identifies a set of characteristics that is necessary to ensure that funds deliver superior performance and that they continue to do so in the future. The impact of securities trading and market timing on fund performance is investigated at an overall fund level and at the individual securities level. The study finds that there are distinct fund characteristics that are associated with superior performing funds and that they determine future expected fund performance. In addition, the study shows that fund managers lack market timing and individual security trading ability.

Key Words: Fund Performance; Fund Characteristics; Market Timing; Performance Persistency

Research Objective

The use of publicly available data to construct a framework for the evaluation of investment management performance in order to improve investment decision-making.

Research Philosophy

My research interests lie in the field of investments, where I have spent my entire working career fulfilling various roles. My current role in a "multi-manager" ensures that I have frequent contact with many investment managers, trustees and capital market commentators. I have a quantitative bias in my skill-set and spend a great deal of time reading journals and other literature relating to investments.

Finance theory strives to describe how the world of finance should work. A large body of research highlights the flaws in the operating mechanisms of the capital markets and why finance/economic theory is an unreliable basis for optimal investment decision-making. I believe that there is a great deal of information relating to successful investing that has not yet been exposed nor researched. I strive to apply my knowledge, skills and position to providing the investment community with new information that better describes the operating mechanisms of capital markets, through new ideas and extending existing research to other capital markets. As a consequence, I wish to raise the level of understanding among members of the investment community in order to significantly improve investment decision-making processes. In particular, I wish to improve the analysis of capital markets through the refinement of data that is used in related research and, using quantitative methods, expose relationships among variables associated with successful investing.

Research Methodology

Background

Investors use performance rankings of funds to identify winners and losers. Raw-return rankings for funds are widely published and are a common source of information among investors for their investment decisions. Investors require rates of return on their capital that are in excess of their opportunity costs of capital. Investors seeking excess returns from financial investments (as opposed to purely real-asset investments) entrust their money to investment managers who will maintain a portfolio of financial securities for the investor. The cost of capital for an investor placing money in a fund that is managed by an investment manager is usually linked to the performance achieved by funds with similar objectives. This performance measure may be the average but is usually the median performance for a peer group of funds. Funds with performances greater than the median performance of peers are called winners, while the below-median performers, losers. Investors will therefore seek out managers with the skill to achieve returns above the peer-median return.

This study has three main parts. I provide a brief context to the three parts and identify each part.

Experts in the field of fund performance measurement will suggest that risk- adjusted returns, rather than raw returns, should be used to identify superior performing funds. However, there are many different measures of performance and investors need to understand the differences between the different measures and to what extent the measures indicating current losers and winners may predict future winners and losers. This study evaluates the reliability of some performance measures, as an alternative to raw returns, for identifying and predicting winning funds.

Investment advisors and consultants that involve themselves in investment manager and fund research will look beyond performance rankings when evaluating current and potential winners and losers. They will study details such as the security holdings of funds and identify what characteristics will ensure the future superior performance of a fund. This study identifies fund characteristics associated with winning funds and evaluates the reliability of these characteristics as predictor of future winning funds.

One way that investment managers can achieve returns on their funds is by increasing or decreasing the fund's market exposure, in order to capture gains or avoid losses as a result of market fluctuations. Past research suggests that the skills of investment managers in timing the market and trading securities are very poor. This study examines whether funds add or destroy value through market timing.

Methodology

A lot of research has been published with the intention of demonstrating the existence or non-existence of determinism in capital markets. However, the research is inconclusive. An approach to confronting the analysis of the capital market within an uncertain world and without the luxury of perfect foresight is to order the categories of the capital markets that are to be analysed. The categories that I focus on are: performance persistence and the relationships between superior performing funds, fund characteristics and manager characteristics.

My scientific research methodology can be characterized as empirical positivism. The theory provides a null hypothesis and this is tested using empirical data. The results are compared to the theoretical prescriptions.

The Efficient Market Hypothesis says that it is impossible to consistently earn abnormal returns for portfolios – the null hypothesis. In particular, the null hypothesis says that past performance has no relationship with future performance and therefore there can be no determinism in fund performance. I use experimental and statistical methods to reject the null hypothesis. Based on empirical evidence, my results show probabilistic relationships among variables and my interpretation of these probabilistic relationships leads to the conclusion that there is a degree of determinism in capital markets. The methodology can therefore be seen as an econometric methodology with an objective consistent with that of the Econometric Society: "unification of the theoretical-quantitative and the empirical-quantitative approach to economic problems". While parts of the study are descriptive, the conclusions of the study are prescriptive, focusing on what happens in practice and highlighting an inferential direction from data to theory.

My approach to analysing the data is based on what prominent researchers have suggested for similar types of analysis. A literature review using high-profile international and South African journals reveals that there is little variation in the scientific methodology of empirical positivism and the methods used to analyse capital markets. These methods include cross-sectional and longitudinal studies and performance evaluation using mathematical formulae. The results of the analysis reveal the probabilistic (or extent of) relationships between the variables under focus. Economic theory provides the basis for interpreting the probabilistic relationships that are largely a consequence of operational inefficiencies within capital markets.

This study focuses on reconstructed funds that only hold equity securities. The objective of this is to enrich the study by ensuring that results are more relevant to a particular asset class and type of fund. This study is based on information from two levels: the performance of the fund (performance-based analysis) and the security holdings for each fund (holdings-based analysis). The information is taken at each quarter over the period for the data set.

The performance-based analysis provides evidence of differences in the way funds are constructed and the resultant performance behaviour for each fund. The holdings based analysis is used to confirm or compliment results from the performance-based analysis and reveal details of the actual fund construction.

Data and its treatment

The primary data used is quarterly South African unit trust fund holdings and performances over the period 03/1993 to 12/2004 for General Equity, Value and Growth unit trusts categories. The funds from these categories are equity funds and have been chosen for an initial study because the primary data set for these funds will be filtered to establish a secondary data set that should still be comparable with the primary data.

Filtering the primary data involves stripping out only the individual equity security holdings of funds for each quarter and building up "new" portfolios with this data. The value of each portfolio at each quarter is determined. The quarterly performance can then be calculated using the Modified Dietz method that assumes cash flows occur at the midpoint between two quarter-ends. The performance is a price performance of the pure equity fund/portfolio where dividends are excluded. The new performance figures are compared to the published figures for each of the funds to highlight any data corruption in both the primary and secondary data. The "new" equity funds are now ready for further analysis.

Techniques and methods

The techniques and methods used in the study are applied in four parts.

A. Fund Characteristics

For each fund and each quarter, the quantity and price for the security held in the fund is used to identify different characteristics particular to that fund. The first approach to characteristic identification results in the dissecting of the fund performance.

The portfolio performance is split into two parts: the first part is based on the performance for that part of the portfolio for which quantities of shares are unchanged across a minimum of 4 consecutive quarters (Static performance for the Static portion) and the remainder of the performance (price performance minus the static performance) is considered as the performance for the portion that was traded. The sum of the Static and Trading performances has been called the Total performance (not to be confused with total performance associated with price performance plus dividends).

The relative size of the Static portion and the extent to which the "Total" fund overlaps with the large, medium and small cap indices are determined and identified as the characteristics of the fund. The rankings of winners and losers are based on raw returns and on the Omega statistic. The association between fund characteristics and fund rankings is based on analysis using Spearman's correlation coefficient and contingency tables.

B. Performance Measures

Various performance measures (performance ratios and risk-adjusted performances) for the Total portion are calculated to identify the extent to which they are associated with funds' raw-return rankings. The measures are:

a) Jenson's Alpha
b) Sharpe Ratio
c) Treynor Ratio
d) Sortino Ratio
e) Omega (this is the Kendall & Shadwick measure, not to be confused with the Omega excess return measure by Sortino et al., 1997)

To compliment or contradict what the trading performance (above) may indicate, additional analysis of funds' timing abilities and success rates of individual trades in each fund are considered.

C. Timing Measures

The success/failure of the market-timing ability is considered at the Total fund level (Total fund still refers to the "new" portfolio). The analysis makes use of:

a. The Treynor-Muzay (1966) model
b. The Henriksson-Merton (1981) model
c. The adjustment by Jagannathan & Korajczyk (1986) to test for misspecification in the timing models.
d. The distributions of the residuals from these regressions are examined.
e. The individual trades over 1, 2, 3, & 4 quarters to identify the "hit rate" (success or failure) of the purchases and the sales for each share traded in each portfolio. The trades are based on quantity changes and not changes in portfolio weightings. (This does not include the value effect of each trade – I have not looked at this at this stage)

D. Persistency

The issue of persistency is addressed at 4 points:

a. The tests for non-normality are based on the Shapiro-Wilk, Anderson-Darling and Lilliefors tests (some performance streams are too short to use the Jarque-Bera test)

b. An initial superficial indication of performance persistency can be observed by tracking the rankings of funds over the 9, 5 and 3-year horizons.

c. The persistency in the return and Omega performance measures are analyzed using the Cross-Product Ratio and Spearman's rank correlation.

d. The persistency in the relationship between returns and Omegas with the Static size and various index overlaps is considered using Spearman's rank order correlation and Cross-Product Ratio.

QUALITATIVE RESEARCH: WHERE WE COME FROM, HOW WE JUDGE. A REFLECTION ON POSITIVIST TRAPPINGS.

Paper read at 15th EDAMBA Summer Academy

By L Le Roux, University of Stellenbosch Business School

2006

Abstract

Qualitative research (QR) has come into its own over the last few decades, and is now recognised as being able to make a significant contribution to the development of knowledge and providing an understanding of and insight into issues under study.

QR promises escape from research methods and data analysis that is rational, experimental, generalisable and objective.

This paper argues that QR does not deliver on its promise, since many qualitative work and thinking still seem to be under the covert influence of positivism, while its rules and rationality are overtly rejected. The paper explores the philosophical roots of QR, its worldview and stance on how QR is to be judged and discusses how positivism still has an influence. It includes preliminary thought-starters on how QR could escape the trappings of positivism.

Keywords: Interpretivism, phenomenology, positivism, validity, reliability, rigour.

1. Introduction

Qualitative research (QR) has come into its own over the last few decades, and is now recognised as being able to make a significant contribution to the development of knowledge and providing an understanding of and insight into issues under study, whether they be, amongst others, in the marketing, business management, social and behavioural sciences.

QR promises escape from research methods and data analysis that is rational, experimental, generalisable and objective. An abundance of textbooks, guidebooks and handbooks (see, for example, Chappell, 2004; Denzin and Lincoln, 2005; Eisner, 1991; Hancock, 2002; Hesse-Biber and Leavy 2004; Patton, 1990; Strauss and Corbin, 1990) define and describe the different philosophical foundations for QR, the specific methods it uses and how to judge quality in QR. Notwithstanding that, this paper argues that QR does not deliver on its promise, since many qualitative work and thinking still seem to be under the covert influence of positivism, while its rules and rationality are overtly rejected.

This paper firstly explores the interpretivist paradigm, its foundations for understanding, the philosophical framework which underpins it and the trappings of positivism within this scheme. It then outlines the way in which "good QR" is judged and considers the positivist influences on these judgments. Lastly, the paper puts forward some thought starters on how QR can escape the positivist trappings. It is beyond the scope of this paper to include a detailed assessment of all philosophical debates within QR (for example, feminism, social constructivism, modernism, post modernism, critical theory). A broad strokes approach to interpretivism and the

issues of validity and reliability is taken, and for the purposes of this paper phenomenology is used as the philosophical basis for QR. The purpose of this paper is to stimulate thought and debate from a specified standpoint about QR, and not to cover all possible philosophical and methodological perspectives within the paradigm.

2. Where we come from

This section provides an overview of interpretism, its view of the world and its view of knowledge and an outline of phenomenology is given. The trappings of positivism in this sense is then explored.

2.1 Interpretivism

Interpretivism holds the following views:

a) Human beings are not mechanistic and they have multiple realities, which need to be understood in context.

b) The social world cannot be described without investigating how people use language, symbols and meaning to construct social practice.

c) No social explanation is complete unless it adequately describes the role of meaning in human actions.

Interpretivists assume that knowledge and meaning are acts of interpretation, hence there is no objective knowledge which is independent of thinking, reasoning humans.

Interpretivists argue that if we want to understand people's actions, we first have to understand those actions in the way that they themselves do. Also, the interpretivist paradigm denies that there is an objective reality independent of the frame of reference of the observer; reality is mind-dependent and influenced by the process of observation. It therefore, does not concern itself with the search for broadly applicable laws and rules, but rather seeks to produce descriptive analyses that emphasise deep, interpretive understandings of social phenomena.

The interpretivist paradigm generally leads to the use of qualitative research methods that enable the researcher to gain a descriptive understanding of, amongst others, the values, motivations and experiences of the participants in a study.

This approach to knowledge is also referred to as constructivism, which has the view that all knowledge, and therefore all meaningful reality as such, is contingent upon human practices, being constructed in and out of interaction between human beings and their world, and developed and transmitted within an essentially social context (Golafshani, 2003).

2.2 QR: Its Ontology

Ontology refers to a view of the world and how the nature of reality is seen - what is.

From an interpretivist view, in which QR is positioned for the purposes of this paper, reality is seen to be subjective and consisting of multiple realities as constructed through human interaction and the giving of meaning to situations and experiences by individuals. Therefore, in summary, the ontology of QR holds that:

a) Social reality is the product of processes by which social actors negotiate the meanings of and for actions and situations.

b) Human experience is a process of interpretation rather than sensory reception and apprehension of the external, material world.

c) The social world has to be grasped as a skilled accomplishment of active participants.

(Source: http://uk.geocities.com/balihar_sangera/carcinterpretivitismslides.html.)

2.3 QR: Its Epistemology

Epistemology refers to how knowledge and the nature of knowledge are viewed – how we know.

In interpretivism, and qualitative research, knowledge is seen to be intentionally constituted through a person's lived experiences. Events are understood through mental processes of interpretation, which are influenced by and interact with social contexts. In summary, the epistemology of QR holds that:

a) Knowledge is derived from everyday concepts and meanings within context.

b) The researcher enters this everyday world in order to grasp the socially constructed meanings, and then reconstructs these meanings in a social scientific language.

(Source: http://uk.geocities.com/balihar_sangera/carcinterpretivitismslides.html.)

2.4 Phenomenology as philosophical base for QR

For the purposes of this paper, phenomenology is viewed as the philosophical base for QR. The definition of phenomenology is "the study of 'phenomena': appearances of things, or things as they appear in our experience, or the ways we experience things, thus the meanings things have in our experience" (Stanford Encyclopaedia of Philosophy, online).

To illustrate the relevance of phenomenology as the philosophical base for QR, a number of key features are discussed below.

In essence, phenomenology studies the various types of experience ranging from perception, thought, memory, imagination, emotion, desire, volition, embodied action and social activity. All of these involve an intentionality, which means that they are directed towards things in the world. Phenomenology addresses the meaning of all of this in our experience, notably, the significance of objects, events, the self and others as they arise, present themselves and are experienced in our life-world.

Phenomenology concerns itself with the structures of conscious experience as experienced from the first-person point-of-view, including relevant conditions of experience. The central structure of an experience is its intentionality, the way it is directed through its content or meaning toward a certain object in the world (Moran, 2000).

Phenomenology in the classical sense, uses three approaches:

a) Describing an experience as it is found.
b) Interpreting an experience by relating it to relevant features of context.
c) Analysing the form of experience by being open to the world in which it exists.

2.5 Positivist trappings

Doing research from the viewpoint of a specific philosophical framework, requires researchers to adhere to the rules and laws of that framework. Qualitative researchers feel compelled to be true to the inherent attitudes and approach to knowledge held in interpretivism. They are bound by the confines of this worldview. The concern of getting the methodology right and making sure one operates within the agreed set of "rules" about knowledge production can be seen in debates around what constitutes "good" versus "not-so-good" QR (see, for example, Ackroyd, 1996, Drisko, 1997, Rennie, 1998). In addition, these "rules" gain further importance in debate around the various methodological ideologies, for example, semiotics (Shank, 1995; Valentine, 1996), Husserlian phenomenology (Roberts, 1997), grounded theory (Rennie, 1998). This in itself is positivist in orientation, since, by implication, QR is concerned with getting the interpretivist methodology "right" and when the "rules" of the paradigm are not adhered to, the work is considered to be unreliable and suspect.

3. Reliability and validity

This section outlines the generally accepted criteria and definitions for reliability and validity in QR, and considers how positivism (still) has an influence on the way we think and do things.

Reliability and validity are said to be important issues in all research, including QR. Demonstrating that qualitative data analysis is reliable and valid and that it was conducted in a rigorous manner, is especially important given a common criticism that qualitative results are anecdotal (Hancock, 2002:22).

Reliability and validity are rooted in the positivist perspective, since they refer to the "accurateness" and "generalisability" of findings. Even though qualitative researchers maintain that these constructs should be reviewed for their use in an interpretivist (qualitative) approach (Golafshani, 2003:597) and, that the "usual canons of 'good science' ... require redefinition in order to fit the realities of qualitative research"
(Strauss and Corbin, 1990: 250) the mere inclination to have different "rules" to describe these issues in QR, points to a covert positivist influence. Also, the fact that QR feels it needs to address the criticism of it being anecdotal (and thus the need for rigour in conducting it) is a not-so-covert justification of the contribution of QR through using "accurate" paradigm-sanctioned rules which are accepted as proof of "good research".

3.1 Reliability

Reliability in QR relates to being able to demonstrate that the methods used are reproducible and consistent (Hancock, 2002). This is done by:

a) Describing the approach to, and procedures for, data analysis.

b) Justifying why this approach is appropriate in the context of the study.

c) Clearly documenting the process of generating the themes, concepts, categories of concepts and theories emerging from the data audit trail.

d) Referring to external evidence, including other qualitative and quantitative work to test conclusions from the analysis as being appropriate.

e) Triangulation, which is gathering and analysing data from more than one source to gain a fuller perspective. Evidence that the researcher has used triangulation in this way and has effectively drawn the analysis of different forms of data together demonstrates rigour, rather than simply the use of different sources

Lincoln & Guba (1985:300) use "dependability" as a term more appropriate to describe "reliability" in QR. To ensure reliability, examination of trustworthiness is crucial.

Documentation, audit trails, detailed demarcation of methods for data collection and analysis are all "rules" about conducting the research within a "paradigm-sanctioned" framework. In a sense, even the use of triangulation suggest that some form of generalisability of findings is pursued, which originate in positivism. Also the language we use in QR, for example, using words like "might' or "could", "seems/appears to be", indicate a covert apologist stance, influenced by a hangover from the judgment that QR is "not scientific" and "not generalisable".

3.2 Validity

Validity in QR refers to the extent in which an account seems to fairly and accurately represents the data collected (Hancock, 2002). Validity therefore is the plausibility of the relationship between data and concepts, and implies that the collective agreement of the intended audiences indicate that interpretations of the data are not only compelling, but convincing. This is determined by:

a) The consistency of findings as interpreted by various researchers (i.e., inter-rater reliability).

b) An adequate and systematic use of original data in the presentation of the analysis, so that readers of the research can be convinced that the interpretations relate to the data.

Golafshani (2003:602) proposes that validity in QR is "more appropriately described in terms of rigour, quality and trustworthiness" .

The very idea of validity is inconsistent with the uniqueness of individual perceptions and experiences as described in the interpretivist ontology and epistemology. In fact, both validity and reliability are based on

positivist assumptions about truth and knowledge which value ideas and beliefs that have consistency and persistence over time. This is incompatible with the uniqueness of human experience as QR aims to capture and describe.

3.3 A Checklist For Rigour In QR

Reliability and validity in QR is determined by a "rigorous manner", both in the collection and analysis of data. The elements of this rigour is defined by:

a) Background to the research: A clear description of the purpose of the research; the position of the researcher and relevant reference to the research topic in existing literature.

b) Method of data collection: A clear description of the type of interviewing guide; how it was developed; the methods of note taking and recording; and impressions after each interview.

c) Method of data analysis: A clear description of how transcripts were prepared (verbatim/annotated), and the procedures for navigating through the data (e.g., coding schemes, modifications).

d) Presentation of the results: A rationale for how the data is presented, i.e., descriptive or theory-building; how sub-themes were selected; how quotes relate to the results, i.e., consistent or atypical; how constructs are different or the same in the data compared to the literature; and how to differentiate between participant responses and the researcher's interpretation.

e) Credibility of links between data and analysis: A description of all themes and issues; using multiple coding and coders; double-checking of interpretations and with whom.

f) Plausibility and credibility: Listing existing literature as a point of reference and trying another, similar case.

g) Transferability of findings: Did the study succeed in "saturating" the data categories and what type of generalisation (empirical or theoretical) was applied?

The call for more rigour in QR (see for example Ackroyd, 1996; Hall and Rist, 1999) demands a more thorough and detailed adherence to the "rules" which delineate "good research". Things are deemed to be done "properly" when QR adheres to the elements contained in the checklist. It is considered to be "better research" when experiences are categorised, named, labelled and modelled. These are all positivist trappings which entreat researchers to "capture, stabilise and describe", amongst others, their methodology, data capture and analysis procedures. These rules also ensure "replicability" which further "enhances" the validity and reliability of findings. Once adhered to, results may be treated as "transferable" and the positivist requisite of generalisation is satisfied.

4. Preliminary thoughts on how QR can escape (or at least move on) from positivist trappings.

The suggestions put forward in this section are intended to stimulate debate and get qualitative researchers to think about how we can be truly true to the philosophical framework we operate in and get quality back into qualitative research. Clearly, the debate needs to go beyond what is mentioned in this paper, and there are issues relating to ethics, participant confidentiality, academic "slurring" and intellectual promiscuity which have not been

addressed. (This is for another time, another place!) The thought-starters on how to be true to where we come from and how we judge are:

First, an open attitude less concerned with methodology and careful recording of all that we do, and more care about true openness and detailed capturing of the experiences we study as a starting point.

Second, less justifying of our epistemological and ontological stance as the right (only?) way to experience the world, and more care and attention in capturing and communicating the diversity found in the work that we do.

Third, our "sub-disciplines" and internal debates about our philosophical roots and approaches to knowledge should be used to enrich and magnify our understanding of the world around us, rather that detract by causing "dissention in the ranks".

Fourth, and in line with the above, we should look to employ multiple methods and approaches determined by what it is that we would like to know, rather than our own areas of specialisation.

Fifth, strive for reports that are more innovative, creative, and free from the constraints of expectations about what is "acceptable" within our philosophical prescriptions. It should illuminate an encounter with the world and not dictate how that encounter should be seen. Better stories are to be told, presented in better ways, to help our peers and readers "see" a slice of the "real world" removed from the constraints of theoretical and philosophical straightjackets.

Sixth, undertake more consciously a critical posture about our vulnerability to the vicissitudes of the world, including the human tendency to prefer to operate in a "comfort zone" of accepted rules and regulations which govern our work.

Lastly, we should make more effort to fit all the pieces of the puzzle together through openness to methods, data analysis, interpretation and representation of the experience, rather than trying to fit it into neat schemata pre-determined by thinking and prescriptions which provide academic and intellectual peace of mind because we have been judged to "good, dependable and rigorous research".

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A SYSTEMS APPROACH TO KNOWLEDGE MANAGEMENT: THE CONTRIBUTION OF A CASE-BASED APPROACH IN REDRESSING THE ASSUMED HOMOGENEITY IN KNOWLEDGE MANAGEMENT RESEARCH

Paper read at 15th EDAMBA Summer Academy

By M Cruywagen, University of Stellenbosch Business School

2006

Abstract

A knowledge management framework based on a systemic approach could redress the problem of assumed homogeneity in knowledge management research. Such a systemic knowledge management framework will enable organisations to choose a knowledge management approach based on their own unique context and to design a knowledge management strategy that is based on the principles of systems theory. A multi-method research strategy will allow for the development of the framework using both a questionnaire and a number of field studies. Even though an inductive approach will be followed the credibility of the framework could still be asserted using the criteria set forth in the paper.

Keywords: knowledge management, systems thinking, inductive research, multi-method approach

"The most important, and indeed the truly unique, contribution of management in the 20th century was the fifty-fold increase in the productivity of the manual worker in manufacturing. The most important contribution management needs to make in the 21st century is similarly to increase the productivity of knowledge work and knowledge workers".
Peter Drucker (1909-2005)

Introduction

Over the past decade it became apparent that the industrial era has entered the end of its lifecycle. During this period the structure, functioning and drivers of the economy have changed. The resources that made organisations and nations competitive in the industrial era were primarily raw materials, real estate and cheap labour. In the 21st century however knowledge has become the primary resource. The traditional economical factors of production, namely land, capital and labour, do not disappear but they become secondary (Drucker, 1992). A report by the Organisation for Economic Co-operations and Development ("The knowledge-based economy", 1996) highlights that the knowledge era places great importance on the creation, diffusion and use of information and knowledge. In the 21st century knowledge has become an organisation's most valuable resource and the strategic management capability of knowledge the most significant source of an organisation's competitive advantage (Lee *et al.*, 2001).

Research ideas

The main research ideas were derived by identifying apparent deficiencies in knowledge management research from the literature. The first deficiency in knowledge management research is based on the findings of Chauvel and Despres (2002). In a review of knowledge management survey research Chauvel and Despres (2002) observed little attempt to differentiate types of organisations in a meaningful way. They furthermore found that the

group of surveys overwhelmingly worked with a European and North American sampling base and no Asian, South American, Eastern European or African countries were specifically cited. Also no cross-industry analysis was provided by the group of surveys. Chauvel and Despres (2002) conclude that this assumed homogeneity constitutes a deficiency in knowledge management research that should be redressed in future works. They further conclude that their findings reflect the tendency in knowledge management literature to prescribe a tool, method or way of thinking to a large range of companies or business problems, and that any differences in organisational form or circumstance are simply unaccounted for.

Closer analysis reveals that this apparent deficiency is a symptom of a deeper-lying deficiency in the research, namely the absence of a systems approach when dealing with knowledge management. A review of existing knowledge management frameworks (Rubenstein-Montano *et al.*, 2001) indicated that the frameworks mostly ignore the notion of double-loop learning. They are furthermore mostly prescriptive and tend to ignore the context of individual organisations. A cursory review of the more well-known frameworks also indicate that the majority of these only addresses the knowledge lifecycle process and associated tasks and neglects critical elements such as the alignment of knowledge management with the strategic goals of the organisation and the impact of corporate culture on a chosen knowledge management strategy. A systems approach to knowledge management will address the identified deficiency in a number of ways. First it will provide organisations with a framework to implement double-loop learning. Second it will enable organisations to identify and better understand their unique contexts and guide them in choosing the most appropriate approach to knowledge management.

A further research deficiency is that no attention is given to knowledge management activities in developing countries. The majority of the research focuses mainly on North American and European organisations. The World Bank ("Building knowledge economies: Opportunities and challenges for EU accession countries", 2002) explains that the growth of a global knowledge-based economy creates great opportunities for all countries, but also poses great challenges for them, particularly for those that are still struggling to create sustainable development and combat widespread poverty. It is therefore critical that organisations operating in developing countries, including South Africa, develop explicit strategies that will enable them to compete effectively in the knowledge economy to avoid being left behind. There is little research available about South African organisations' efforts to become more knowledge-centric (Botha & Fouché, 2002; Finestone & Snyman, 2005). Either there is a substantial drive toward it, but it is simply not widely researched and published, or becoming knowledge-centric is not a priority among South African organisations, with other organisational issues demanding higher priority.

From the deficiencies in knowledge management research discussed above, three research ideas have been defined. The first research idea involves the identification of factors that could differentiate organisational approaches to knowledge management. The second research idea is to develop a systems thinking framework for knowledge management. The framework will include roadmaps that can be used to guide organisations in implementing knowledge management, based on their differentiating factors and unique context. The third research idea concerns the differentiation of knowledge management practices of South African organisations. When integrated, the three research ideas form the central research objective, namely the formulation of a systemic approach to knowledge management.

Research philosophy and approach

At the core of the identified deficiencies in knowledge management research is the absence of a systemic approach to knowledge management. Systems theory explains the organisation and interaction of systems. The essence of systems theory is that a system should be regarded as a whole, consisting of interacting parts which are organised for a specific purpose (Capra, 1997; Dostal, 2005; Ghalib, 2004; Jackson, 2003). The interaction of the parts of the system gives rise to new attributes which are not inherent in the parts. These properties emerge at the level of the whole as a result of the interaction of the parts but cannot be observed at the level of the parts (Capra, 1997; Dostal, 2005; Ghalib, 2004; Jackson, 2003).

Existing research however focuses mostly on identifying components of knowledge management along with their inherent properties. Examples of such components include strategy, leadership, culture, processes and technology. Knowledge management questionnaires are designed with the questions typically acting as indicators of what the attributes of each of the earlier identified components should be (Botha, 2005; Darroch, 2003; Khalifa & Liu, 2003; Wong & Aspinwall, 2005).

A systemic approach seeks to identify, understand and utilise the emergence of new characteristics by extending the traditional method of analysis through synthesis (Dostal, 2005; Johannessen *et al.*, 1999). Such an approach would therefore focus on putting the components of knowledge management together to form a whole and the aim will then be to study the interaction of these components as well as the result of their interaction. This approach will recognise that in the interaction between components (or parts) new properties emerge that are not inherent in the parts of the system (Johannessen et al., 1999).

A systemic approach to knowledge management could contribute to redressing the research deficiencies as identified earlier in a number of ways. Insight into the interaction of the various components, the resulting emerging properties and the dynamic environment of the system could provide a meaningful way to differentiate approaches to knowledge management. The resulting systemic knowledge management framework would identify which knowledge management components are deemed important, but would also descriptive in terms of describing various knowledge management approaches and the contexts within which organisations could practice these. Such a hybrid knowledge management framework could assist organisations in choosing a suitable approach for achieving their strategic objectives, rather than following a prescriptive framework that ignores their unique context.

Finally, by including South African organisations in the research, not only could the status of knowledge management practices in South Africa be assessed and documented, but insight into the contexts within which they operate could highlight additional differentiating factors as part of a systemic knowledge management framework.

A systemic approach to knowledge management implies that the nature of the inquiry should also be based on the basic systems principles. First, a systems-based inquiry alternates between analysis and synthesis (Johannessen *et al.*, 1999) and aims to provide a holistic and integrated view of reality. Second, a systems-based inquiry acknowledges that both the environment and system change continually (Capra, 1997). Third, a systems-based inquiry furthermore acknowledges the subjectivity of the observer of the system is built into the inquiry (Johannessen et al., 1999). Finally, a systems-based inquiry should be conducted from multiple perspectives and values (Dostal, 2005). The very nature of a systemic approach highlights an interpretivist research philosophy,

with the emphasis on the complexity and uniqueness of organisational contexts. These characteristics of a systems-based inquiry closely correspond to an inductive research approach which will be the basis of departure for the inquiry.

Implications for the research methodology

An inductive research approach largely relies on building theory after the collection, analysis and interpretation of mostly qualitative data (Saunders et al., 2003). The study will follow a multi-method approach, starting with a conceptual framework from which theory will be further developed in terms of how approaches to knowledge management could be differentiated in a meaningful way, so as to enable organisations to choose the most suitable knowledge management approach based on their specific context. A quantitative approach will be used to identify factors and attributes that could potentially be used to differentiate organisations in a meaningful way. This will be followed by a qualitative approach to develop an understanding of the implications of these factors for organisations. The research strategy is summarised in figure 1. An initial conceptual framework will be developed which will be augmented with findings from the literature review.

A number of research studies in knowledge management use questionnaires as part of a survey strategy. Although a questionnaire is a convenient way to collect a large amount of data from a large population in an economic way, the data collected using the survey strategy may not be as wide-ranging as those collected by other research strategies (Saunders et al., 2003). Knowledge management is a discipline that touches on almost all aspects of an organisation, including strategy, culture, processes and technology. A core principle of a systems-based inquiry is that the inquiry should be conducted from multiple perspectives, but it is highly unlikely that one person in an organisation will be in a position to provide reliable data regarding all the disciplines that are impacting on knowledge management. The use of a questionnaire as a sole research strategy is therefore not appropriate to collect data and build theory in a systems-based inquiry. A questionnaire can however provide insight into current knowledge management practices, which could assist with building theory in terms of specific contexts and practices. The Knowledge Management Assessment Tool of the American Productivity and Quality Centre (APQC, 2005) is an example of a validated questionnaire that could be used in the initial stage of the research cycle. Findings emerging from the data analysis of the questionnaire will then be incorporated into the conceptual framework.

Field study research will then be used to further investigate a subset of organisations in terms of the interactions between the various knowledge management components and the emerging properties that result from these interactions. It is therefore proposed that a multi-method approach, through a combination of a survey strategy and a field study research strategy, be used to conduct the research. In the domain of qualitative research, a field study (or case study) research strategy is particularly appropriate for problems where research and theory are at their formative stages (Roethlisberger, 1977).

Although knowledge management research in general is at a well-established stage, research into what a systems approach to knowledge management entails is still in an early, formative stage. Field study research therefore seems to be an appropriate research strategy, and further provides the opportunity to study knowledge management in a natural setting and to build theory from practice (Cepeda & Martin, 2005). Field study research also affords the opportunity to understand the nature and complexity of the processes taking place.

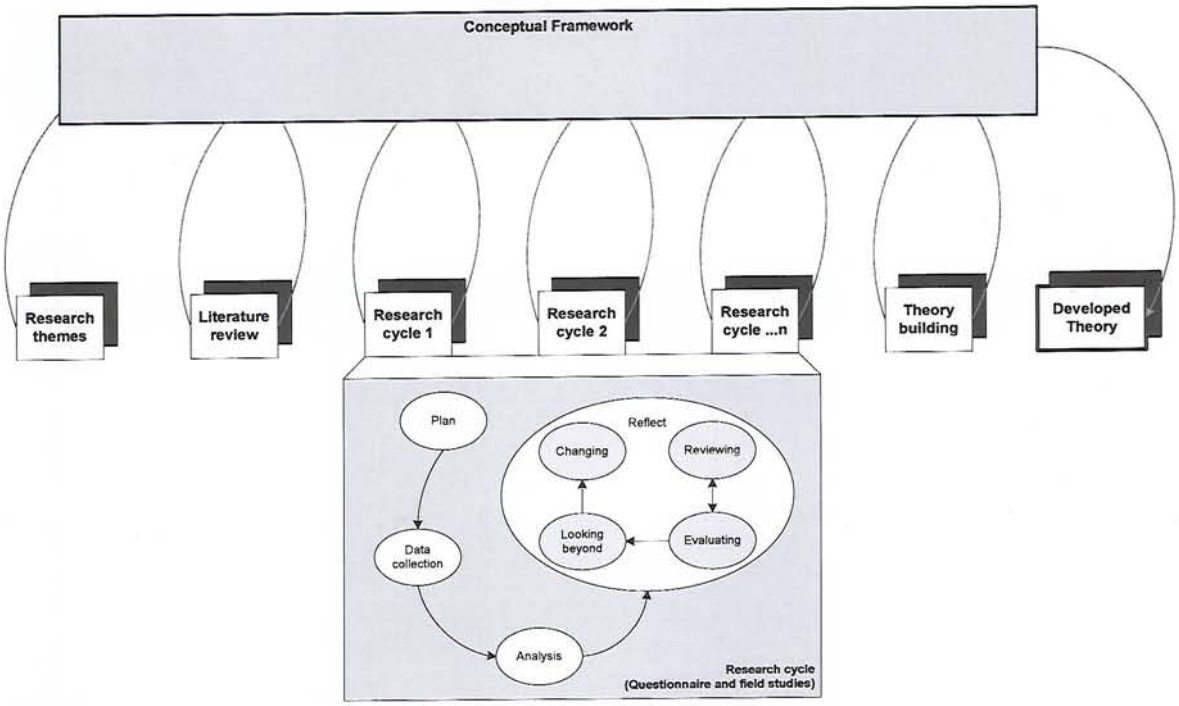

Figure 1: Multi-method research strategy

Cepeda and Martin (2005) highlight three main elements for interpretivist case study research, namely developing a conceptual framework, going through a number of research cycles and then a literature-based scrutiny of the developed theory. For the purpose of this study the research cycle will be extended to include both a survey strategy and a field study research strategy. The interaction between the conceptual framework and the research cycle enables building theory. Glaser (1999) suggests that the addition of new cases ceases when a saturation point is reached where incremental additions to understanding are slight. At this point the conceptual framework will again be compared to a broad range of literature. The goal is to vigorously compare the research findings with a wide selection of literature, specifically to identify areas of agreement and conflict. These would be used to either strengthen the developed knowledge management framework or to find explanations for the differences.

Interpretivist case study research cannot use the same criteria used to test the credibility of research findings in a positivist paradigm. The requirements for evaluating case studies from interpretivist research described by Klein and Myers (1999) could be used to evaluate the credibility of the research findings. In general research findings are considered valid if the researcher can defend these in a logical manner. A multi-method approach could also enable triangulation to take place. Semi-structured interviews conducted as part of the field studies could be a valuable way of triangulating the data collected by means of the knowledge management questionnaire. The requirements for reliability can be summarised as an interpretive awareness, meaning that the researchers recognise and address the implications of their subjectivity. Viewing organisations as a function of a particular set of circumstances and individuals implies that research results would not be generalisable as would be the case under a positivist research philosophy (Saunders *et al.*, 2003). However, the assumption that an organisation, as a system, is part of one or more larger systems and also in constant interaction with a dynamic environment renders generalisability less valuable, particularly if organisations are viewed as unique entities.

The proposed multi-method approach will enable the development of a systemic knowledge management framework and will allow for the critical evaluation of the research outcomes.

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