

## **Domain theory and method theory revisited: A reply to Lowe, de Loo and Nama**

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### **Abstract**

**Purpose:** The purpose of this paper is to provide a response to the commentary of Lowe, de Loo and Nama concerning our previous article, which was published in *Accounting, Auditing & Accountability Journal*, Volume 27 Number 8.

**Design/methodology/approach:** The authors address the main points of the commentary by Lowe et al.

**Findings:** In addressing each of these issues, the authors point out a few misunderstandings included in the critique as well as make an attempt to further clarify our previous argument.

**Originality/value:** The authors maintain that distinguishing between domain theory and method theory in accounting research will be of help to researchers in several ways.

**Keywords:** domain theory, method theory, actor-network theory, management accounting

**Article classification:** Conceptual paper

### **Introduction**

Lowe, de Loo and Nama (2016) have written a critical commentary regarding our previous article (Lukka & Vinnari, 2014), which analysed the roles of various theories in management accounting research. We are delighted to learn that our article has raised discussion and are grateful for the opportunity to clarify our argument by replying to Lowe et al. Our reply is structured as follows. We will first briefly rehearse our main argument and then address in more detail the three main issues raised by Lowe et al., namely: definition of domain, theory and theoretical contribution; nature of domain theory and method theory; and actor-network theory (ANT) as a method theory.

### **Summary of main argument**

In our previous paper, we distinguished between two *roles* of theories, domain theory and method theory, and analysed their relationships in the context of management accounting research. We defined (Lukka & Vinnari, 2014, p. 1309) domain theory as “a particular set of knowledge on a substantive topic area situated in a field or domain such as management accounting” and method theory as “a meta-level conceptual system for studying the substantive issue(s) of the domain

theory at hand”<sup>1</sup>. Our motivation for studying this particular topic stemmed from the observation that prior literature seemed somewhat ambiguous regarding the contribution of domain theories and method theories in developing management accounting knowledge. We believed (and still do) that making an explicit distinction between theories playing the roles of domain theory and method theory in a piece of research can facilitate discussions among scholars as well as between supervisors and PhD students in addition to helping researchers clearly articulate the target of their contributions. Our literature analysis of ANT-informed management accounting studies indicated that there are various kinds of relationships between domain theories and method theories, with domain theory being the most prevalent target of the studies’ ambitions and method theory offering an auxiliary to produce the sought-after contributions. We also found indications of long-term effects generated by the interaction between method theory and domain theory, such as concepts from the former becoming incorporated into the latter.

At this point it already seems appropriate to rectify some misunderstandings that appear throughout the commentary of Lowe et al. First, we were interested in the *target* of a study’s theoretical contribution, not so much in the nature or the size of the contribution. In other words, instead of trying to provide a precise definition for “contribution” or assess the extent of its significance in a particular study, we wished to examine whether the study contributed to domain theory, method theory, both, or neither. Second, in contrast to what Lowe et al. insinuate, we certainly did not flag the use of method theories as a way of gaining insights into especially management accounting practices or as a way of producing theories that benefit practitioners. Some method theories are indeed applicable to the study of accounting practices, while others are more appropriate for the analysis of, say, individuals’ meaning structures or representations constructed through discourses. Finally, it must be emphasized that ANT *per se* was not the main focus of our analysis but served as an example with which we illustrated our theoretical claims<sup>2</sup>.

### **Definitional issues**

Lowe et al. are concerned that we do not provide precise definitions for the concepts of domain, theory and theoretical contribution. On a general level, such concerns seem somewhat exaggerated when one considers that the definitional boundaries of concepts are always more or less blurry. This claim finds support from the views of later Wittgenstein, whose philosophical ideas have clear points of resemblance with the basic principles of interpretive research. Wittgenstein (2001/1953) underscored that the use of natural languages (hence logics and mathematics exempted) is always more or less imprecise. He also introduced the idea of concepts’ family resemblance, in other words the notion that concepts acquire their meaning in the surroundings in which they are employed and therefore a particular term can mean slightly or even completely different things in different contexts. Wittgenstein (2001/1953) further argued

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<sup>1</sup> Contrary to the interpretation of Lowe et al., method theory and methodology are *not* synonymous. We provide a clarification of these concepts on p. 1312 of our previous paper (Lukka & Vinnari, 2014).

<sup>2</sup> In contrast to what Lowe et al. state, we did not offer any examples of the use of institutional theory as a method theory in management accounting research.

that since the meaning of a word lies in its use, this meaning becomes apparent only by investigating the context in which the word is employed. When contemplated against this background, trying to find an exact definition for “domain”, “theory” or “theoretical contribution” can be considered a fool’s errand as we can never end up with an unequivocal answer. On the other hand, we cannot cease employing concepts and terms if we are to continue communicating with each other in a meaningful fashion. Analytical categories such as domain theory and method theory can therefore be of considerable use despite the fact that their definition will necessarily remain to some extent imprecise.

Lowe et al. are particularly concerned that we refer to domain theory “without indicating how domains are defined (and by whom)” (p. XX). In addition to the Wittgensteinian argumentation above, another reason for why we are hesitant to define the concept of domain in a rigid manner<sup>3</sup> is that in our view a domain of research is formed organically as a result of several factors. These include both formal and informal discussions taking place within a research community as well as the choices made by individual researchers when positioning their studies. In this context we cannot resist pointing out that Lowe et al. themselves refer to a domain, management accounting and control systems (MACS), without explicating what it might or might not contain.

As concerns the concept of theory, it appears that Lowe et al. have selected citations from our paper to give the impression that we have not tried to provide any kind of definition for it. This is not correct as in the paper (Lukka & Vinnari, 2014, p. 1311) we note that the formation of theory “is not limited to ‘grand’ theorization of settings and structures, but can also occur at a lower level through the theorization of metaphors, differentiation, or concepts (Llewellyn, 2003)”. Our notion of theory, then, is much more encompassing than “abstract propositions that generalise across settings” as put forth by Lowe et al. (p. XX) with reference to Armstrong (2008).

Our critics are also concerned that we have not indicated what constitutes a theoretical contribution. They suggest evaluating studies’ contributions in terms of two dimensions, originality and utility (Corley & Gioia, 2011). While we have nothing against Corley & Gioia’s definition, it is again beside our focal point, the *target* of contribution. In this context, Lowe et al. also ask how we can distinguish between the different contributions to method theory that we labelled “first-time illustration”, “use of an established method theory” and “refining method theory”. In retrospect, we admit this categorization was perhaps not the best possible solution when considering the main argument of our previous paper. Making stark distinctions between different ways of using method theories is always a challenging exercise.

### **Nature of domain theory and method theory**

Lowe et al. imply that making a distinction between domain theory and method theory is difficult in practice because of their arguably mutually constitutive and intertwined nature. In our previous paper we discuss this issue both on the level of individual studies and on the level of the domain.

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<sup>3</sup> Although we have nothing against Gregor’s (2006) definition of domain, which Lowe et al. cite.

Regarding individual papers, such intertwining appears to be mostly a marginal phenomenon and therefore in the majority of the studies we analysed it was possible without problems to identify the domain theory and method theory used. On the domain level, mutual constitution does not in our view pose an insurmountable obstacle as it only takes place incrementally over an extended period of time. Furthermore, at least in the case of ANT as a method theory in management accounting research, mutual constitution has to our knowledge taken place only in one direction; that is, ANT has shifted the boundaries of management accounting but not vice versa.

Regarding our claim that several method theories have been mobilized to add to management accounting knowledge, Lowe et al. point out that some method theories are at least partly incommensurable and therefore it may be difficult to combine them within one domain theory. We acknowledge that sometimes this is true and in those cases attempting integration is certainly not advisable. However, occasionally the appearance of paradigmatic incommensurability is merely an illusion due to ambiguities or even epistemological misunderstandings related to, for instance, scholars representing a certain research genre having become fixated to a particular way of thinking (Kakkuri-Knuuttila, Lukka & Kuorikoski, 2008). For instance, in contrast to a typical belief, an argument can be developed that a piece of interpretive accounting research can include causal explanations of phenomena, still remaining faithful to the key features of such a research approach (Lukka, 2014)<sup>4</sup>.

### **Actor-network theory as a method theory in management accounting research**

Lowe et al. posit that some of the management accounting studies we cite in our previous paper do not qualify as examples of ANT research. More precisely, they argue that Chua (1995) does not represent ANT as the author rejects the idea of non-human agency and that Briers & Chua (2001) cannot be considered to make a contribution to ANT by combining it with the notion of boundary objects because Star & Griesemer (1989) intended the concept as an extension of ANT. We will reply to each of these claims in turn.

Regarding Chua (1995), it is true that the author explicitly renounces Latour's ideas concerning non-human agency. However, we do not agree that this would prevent the labelling of her work as an ANT study; in our view it is rather an instance of partial application as it still features several other key elements from ANT. The issue of whether or not it is acceptable to selectively apply notions from method theories is still debated (see e.g. Malsch, Gendron & Grazzini, 2011) and the stance taken by Lowe et al. represents one extreme viewpoint in this debate. The academic community has not reached a definitive conclusion regarding whether or not one should remain completely faithful to a method theory's original formulation only. Somewhat ironically, such a conservative view would also strongly contradict Latour's (1996, p. 119) claim of there being "no

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<sup>4</sup> A key argument for avoiding a strong juxtaposition of interpretive and functional research is based on the idea that inasmuch peoples' beliefs regarding causes and effects are a natural part of their everyday life, interpretive research can quite naturally include also functional aspects in its analysis (Kakkuri-Knuuttila et al., 2008; Lukka, 2014; cf. Wittgenstein, 2001/1953).

transportation without transformation". In other words, when a construction such as ANT travels from one domain into another and from one scholar to another, it necessarily undergoes changes at each step along the way. On the other hand, when appealing to Latour as an ultimate authority Lowe et al. are treading on rather thin ice as Latour is known to have changed his position regarding key elements of ANT<sup>5</sup>. Finally, we are not the only ones to consider Chua (1995) an example of ANT research in accounting (see e.g. Justesen & Mouritsen, 2011).

As concerns the issue of boundary objects and ANT, Star & Griesemer (1989, p. 387) indeed posit that they are extending the "Latour-Callon model of interessement" with the concept of boundary objects. However, their article is not entirely consistent in this regard as they also refer to their conceptual development and ANT as if these were two similar but distinct things: "Our approach thus differs from the Callon-Latour-Law model of interessement in several ways" (ibid., p. 390). Thus, it appears that we cannot definitively establish whether Star & Griesemer (1989) have refined ANT or if their conceptual development has just been inspired by it. However, that is not the main point here. The key thing to note is that Briers & Chua (2001) complement Star & Griesemer's (1989) list of boundary objects with a fifth one, visionary objects. With this addition, they definitely make a contribution to method theory, regardless of whether the latter is 'pure ANT' or 'ANT extended with the notion of boundary objects'. Therefore our original claim regarding the contribution of their paper remains valid<sup>6</sup>.

## Conclusion

The purpose of this paper was to reply to the criticism levied by Lowe et al. concerning our previous paper. We addressed each of their main arguments in turn, pointing out misunderstandings and clarifying our argument. We maintain that the concepts of domain theory and method theory are more of a help than a hindrance to our academic community as they enable us to locate the target of a study's contribution and to discuss the roles of theories on a conceptual level.

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<sup>5</sup> For instance in Latour (1999) he criticized each of the terms of actor-network theory, including the hyphen, but in Latour (2005, p. 9, footnote 9) he admits to having reversed his position and declares that he "will now defend all of them, including the hyphen!"

<sup>6</sup> As in the case of Chua (1995) above, the review article by Justesen & Mouritsen (2011) supports the view on Briers & Chua (2001) that we adopted in our previous paper.

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