

**ONTOLOGICAL & EPISTEMOLOGICAL PHILOSOPHIES UNDERLYING  
THEORY BUILDING: A SCHOLARLY DILEMMA OR AXIOMATIC  
ILLUMINATION- THE BUSINESS RESEARCH PERSPECTIVE**

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**ABSTRACT:** *The objective of this theoretical excursion was to articulate useful contributions to advance knowledge on the issue of whether or not ontology and epistemology as basis for theory building in business research is a scholarly dilemma or an axiom that requires elucidation. In view of this, the paper revealed background understanding of research. Also, scholar's views were reviewed to underpin ontological and epistemological philosophy as underlying theory building. After espousing its theoretical implication the paper concludes that ontology and epistemology are axioms that complement each other to bring better understanding to the true essence of business research and not necessarily a scholarly dilemma.*

**KEYWORDS:** Epistemology, Ontology, Positivism Constructivism

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## **INTRODUCTION**

Research is an investigation to establishing the truth fact or state about a given societal phenomenon. The driving force behind undertaking research is or should be the quest for knowledge creation and development. Though, there are different sources or base of knowledge creation ranging from; knowledge based on tenacity- superstitious knowledge built over time due to certain believe system, authority based knowledge- knowledge build on existing authority source, knowledge by reasoning- knowledge build on logic and scientific knowledge, of all these knowledge sources scientific knowledge is regarded superior and more reliable due to the fact that its knowledge creation based is followed through a systematically organized process of establishing a universal knowledge, hence, research is a scientific knowledge creation process. According to Akuezulo (1993) cited in Ahukannah and Ugoji (2008), business research is “a systematic and objective search for new knowledge of the subject of study and for application of knowledge to the solution of a novel problem associated to a business organization”. “Research is the process of arriving at dependable solutions to problems through the planned and systematic collection, analysis and interpretation of data” (Osuala 1993). Ahukannah and Ugoji in light of the above definitions posit that research is a systematic, purposeful investigation which utilizes acceptable procedures to find solutions to problems especially in the functional business organization which perspective this paper is directed to.

The quest to creating and building knowledge through the scientific knowledge creation level (research), cannot be successful without the rudiments of the basic stance of knowledge building which are the **ontology** and **epistemology** philosophies. According to Saunders, Lewis, & Thornhill, (2007), Ontology and Epistemology are words very commonly used within

academia even in business research, although they can seem daunting when first encountered, their meaning in research is simple. They further posit that ontology is concerned with the question of “**What is there?**” while epistemology is concerned with the questions “**What do you know?**” and “**How do you know it?**” Both act as the foundations of our approach to a research question. The concern of this paper is to advance knowledge and take a stand through useful contribution to the issue of whether or not ontology and epistemology as basis for theory building is a scholarly dilemma or an axiom that requires elucidation.

### **Ontological Philosophy Discuss**

Ontology is a philosophical pattern of view in research, it is the science or study of being and it deals with the nature of reality Marsh & Furlong (2002). Ontology is a belief system that mirrors the way an individual interprets what represent a fact. In other words, ontology is concerned with the central question of whether social entities need to be perceived as objective or subjective. This view is consistent with the opinion of Bryman (2001), who posit that Ontology is concerned with the nature of social entities. This implies that Ontology describes the researcher’s view of the nature of reality or being on the societal organizational phenomenon studied.

Identification of the ontology at the begging of research process is critically important as it determines the choice of the research design to be adopted via epistemology, which affects the research approach as well as the research strategy, methods of data collection and data analysis. This aligned with the contributions of David Cray in his theoretical perspective and research methodology that to select a data gathering method and get on with the job, the choice of methods will be influenced by the research methodology chosen. This methodology, in turn, will be influenced by the theoretical perspectives adopted by the researcher, and, in turn, by the researcher’s epistemological stance.

Ontological philosophy has two important stances upon which the science of being or reality on the nature of a societal phenomenon under study can be regimented; they are positivism and subjectivism school of thoughts and philosophy of research.

**Objectivism** as a basic stance of research portrays the position that social and business entities exist in reality external to social or business actors concerned with their existence. Objectivism is an ontological position that asserts that social phenomena and their meanings have an existence that is independent of social actors (Cray n.d). The positivist ontology believes that the world is external (Carson, Gilmore, Perry, and Gronhaug, 2001) and that there is a single objective reality to any research phenomenon or situation regardless of the researcher’s perspective or belief (Hudson and Ozanne, 1988). Thus, they take a controlled and structural approach in conducting research by identifying a clear research topic, constructing appropriate hypotheses and by adopting a suitable research methodology (Churchill, 1996; Carson et al., 2001)

Objectivism also known as Positivism according to Marsh & Furlong (2002) adopts a foundationalist ontology, who believes it is possible to observe everything that happens and understand it as such without any mediation or interference by social actors, thereby denying any appearance/reality dichotomy. They further state that as in natural science, theory is used to generate hypothesis, which can simply be tested by way of direct observation with the ultimate aim of finding general laws and causal statements about social phenomena. This implies that objectivity is possible. Positivists usually use quantitative methods as research

tools, as these are objective and the results generalizable and replicable (David & Felix 2002). However, Positivism has faced lots of criticism, first, Objectivity is only then possible, when there is no mediating factor that skews or alters the observation, but Hollis and Smith (1990) employing Quine's argumentation opined that this expectation is not realistic because "the five senses do not and cannot give us information independent of the concepts used to classify it. Furthermore, we automatically use concepts to describe observations and these concepts inevitably shape the outcome.

**Subjectivism** ontology also described as interpretivism or social constructivism is an important philosophical thought which holds that the researcher and the societal phenomenon under study are mutually interrelated and dependent (Hudson and Ozanne, 1988). The interpretivist researcher enters the field with prior insight of the research context but presupposes that this is insufficient in developing a fixed research design due to complexity, multiplicity and unpredictable nature of what is perceived as reality (Hudson and Ozanne, 1988). The researcher remains open to new knowledge throughout the study and let it develop with the help of informants. The use of such an emergent and collaborative approach is consistent with the interpretivist belief that humans have the ability to adapt, and that no one can gain prior knowledge of time and context bound social realities (Hudson and Ozanne, 1988). Therefore, the goal of interpretivist research is to understand and interpret the meanings in human behaviour rather than to generalize and predict causes and effects (Neuman, 2000; Hudson and Ozanne, 1988). Contrary to the latter, The Interpretivist approach however, rejects absolute facts and suggests that facts are based on perception rather than objective truth. With this approach, the conclusions are derived from the interpretations of the participants rather than the abstract theories of the researcher or scientist.

The opposite position taken by interpretivist is that it is not possible to make objective statement about the real world because there is no such thing as a real world but it is only socially and discursively constructed. The ontological position here is clearly anti-foundationalist. Because the world is only socially constructed so are social phenomena, which positivists claim to be able to examine by absolute observation. This is not possible, interpretivists say, because they do not exist independently of our interpretation and every observation concomitantly affects what we observe (David and Felix 2003).

### **Epistemological Philosophy Discuss**

Epistemology can be defined as the relationship between the researcher and the reality or how this reality is captured or known (Carson et al., 2001), hence, epistemology is concerned with the questions of "What do you know?" and "How do you know it?" According to Tennis (2008), Epistemology is the claim on what knowledge is valid in research, and therefore what constitutes acceptable sources of evidence (presenting that knowledge) and acceptable end results of knowledge (findings). Once a researcher accepts a particular epistemology, he/she usually adopts methods that are characteristic of that position, again allowing experience to dictate filters and preferences.

Trying to make clarity to epistemological philosophy Scotland (2012) posits that epistemology is concerned with the nature and forms of knowledge. In other words, epistemological assumptions are concerned with how knowledge can be created, acquired and communicated. Moreso, Bateson (1951), revealed that traditionally, "epistemology" means the theory of knowledge – the study of the nature of knowing– and the branch of philosophy which has grown up around the word is intertwined with ontology, the study of the nature of being. He

further states that the very meaning of the word “epistemology” was changed from the conventional. He argued that the study of knowing or the study of “information” is inseparable from the study of communication, codification, purpose, and values. Conversely, Wasik (2016) opined that the subject matter of epistemology is an inquiry into the ways of how human organisms arrive at knowledge, and the limitations of their senses in cognitive and communicational relationships with their environments. Being unified within a network of ecological conditionings, their (sometimes unconscious) convictions about the existence modes of their world is determined by the way of how they see it and how they function within it; and their perception of it, or their functioning within it, usually condition their convictions about its nature.

### **Philosophical Theory Building in Business Research**

Theories are sets of concepts, principles, propositions and generalizations that are logically interconnected which present a systematic view of phenomena that enable the user to describe, explain, predict or advance knowledge (Jamabo and Kinanee, 2004).

According to John and Andrew (2016), many of us are practitioners not philosophers of science; we don't think much about ontology and epistemology so that we can get on with the craft of doing research instead of talking about it. However, underlying any form of research be it business or pure-science is a philosophy of science that informs us of the nature of the phenomenon examined (ontology) and methods for understanding it (epistemology).

Ontology and epistemology are the foundations on which a researcher must build his research as they shape the approach to theory and methods. Also it has been said that the positions researchers take in these matters “are like a skin not a sweater: they cannot be put on or taken off whenever the researcher sees fit” (Marsh and Furlong n.d). There are two assumptions here: Firstly, the method of our research is inevitably linked to our ontological and epistemological position. Secondly, as these positions are not changeable, neither are the methods. These positions reflect fundamental views about the world, which can be completely aversive, and a change in methods reflected a change in the worldview, which is not possible (Marsh and Furlong nd). These claims pose a question: Is the relationship between the ontology, epistemology and methodology really as directional as described? Or, is there any way that a clear stance on these issues makes it possible to employ different methods?

Hall (2000) posited that any normative theory presupposes and is colored by a metaphysical viewpoint. Consequently, Bruce and Sue (2011), posits that issues such as definition, criteria, and purpose reflects a prior commitment to certain assumptions about what constitutes knowledge (epistemology), reality (metaphysics), the nature of being or existence (ontology), values (axiology), and other basic philosophical issues. Henderikus (2007) identifies this notion as —theory-laden observation. Frame (1995) and Plantinga (1990) cited in Bruce and Sue refers to this view of epistemology as “perspectival presuppositionalism”. Tarraco (2002) added that “these presuppositional beliefs are fundamental to the theorist's choice of research purpose, subject, and methodology”. Philosophers such as Plantinga and Frame would add that one's worldview even colors and determines the types of questions we seek to answer (Bruce and Sue 2011). Henderikus (2010) avowed this position when he noted that one does not naively observe the world as it is but always approaches the world with some preconceptions in place.

From the perspective of empiricists, evidentialists, positivists and other advocates of the received view-presuppositionalism, it is not wrong to aver that data underdetermined theories and, if there is no data, where is the verification or falsification opportunity? (Henderikus 2007). Evidentialists argue that falsifiability is a prerequisite for the very existence of theory (Sutton & Shaw, 1995). Presuppositionalism is nothing more than personal belief; something akin to religion, superstition, intuition, or astrology— all which lack the certitude of empirical verification (Gelso, 2006).

In theory building, the diversities, complexity and criteria associated with theory made researchers to typified theories into classes; to describe and define their purpose, functions, boundaries, and goals (Bruce and Sue 2011). Tarraco's (2002) taxonomy identified five types of theory: (1) hypothetico-deductive method, (2) inductive grounded theory, (3) meta-analytic theory, (4) social constructionist theory, and (5) case study theory. According to Gelso (2006), theories have four functions: —descriptive, delimiting, generative, and integrative. He revealed further that the descriptive function explains the why of things (causal explanation). The delimiting function puts boundaries on what is examined. The generative function tends to inspire new research (heuristic value) thereby expanding the existing body of knowledge. Finally, the integrative function which seeks to provide a coherent unified picture of often —diverse and at times seemingly disparate facts.

### **Ontology & Epistemology Philosophy Theoretical Implications**

The theoretical implications of ontology and epistemology as underlying philosophies of business research and theory building are far reaching, through a deeper awareness of the ontological and epistemological stances researchers have come to be more clearly positioned to iteratively reflect upon, and define how best to engage with their research exercise. Theories bring focus and provide the right perspective to explain researcher's axiomatic belief based on a particular ontological department. A researcher may adopt the belief that the world of business interactions exists independently of what he/she perceive it to be (objective ontology stance), which is a rational, external entity and positivist modes of inquiry (Sean nd). Alternatively, a researcher may view social and business reality as being co-constructed by individuals who interact and make meaning of their world in an active way, or better still approach the search for truth in people's live experiences through rigorous interpretation (subjective ontology stance). According to Pring (2000), both of these approaches to research are informed by an underlying theoretical focus, this is a major theoretical implication.

### **CONCLUSION**

The concern of this paper was to advance knowledge and take a stand through well articulated contribution on the issue whether or not ontology and epistemology as basis for theory building is a scholarly dilemma or an axiom that requires elucidation. Achieving this purpose, the paper creates an overview of research concept- which revealed the driving force behind undertaking research to be the quest for knowledge creation and development. Furthermore, the paper clarifies the concept of ontology and epistemology philosophy which depicts the nature of reality and the relationship that exist between the researcher and this reality.

Having espoused the ontological and epistemological philosophies as underlying theory building and its theoretical implication to research; the paper concludes that ontology and epistemology- the basic stance in conducting research is not a scholarly dilemma but a maxim

in philosophy of business research that requires exposition as every research focus is to advance knowledge and provide solution to societal and business problems, in a nutshell, ontology and epistemology are axioms that complement each other to bring better understanding to the true essence of business research.

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