

Putting Critical Realism to Work in Business Relationship Research

Abstract

Within the IMP, Critical Realism is emerging as a philosophical position of choice for the study of business relationships as evidenced by the growing number of papers which purport to take this position. Notwithstanding the growing use of Critical Realism, we acknowledge that is not easy ontology to apply. This paper fills in the gap by showing how to design and execute a study on business relationships using critical realism as ontology. This will involve a discussion on how this perspective affects our view of business relationships, the research design, and the theorisation process, moving from thick description common in small N studies towards analytical generalisation (Yin 1994). Throughout the paper we will draw on examples from three studies (referred in the text as Study A, B and C). As a result this paper offers a 7 stage framework to support researchers taking this position, which addresses specific thought processes and design issues in critical realist informed research. The paper will conclude by outlining implications for research practice.

Key words: Critical Realism, Research Design, Retroduction

Introduction

The capturing of the complexity of relationships over time requires a philosophical position that is designed not to “*Untangle [the] weave, but in keeping the tangle and looking at the patterns it produces*” (Goerner 1999: 138). Within the IMP, Critical Realism is emerging as a philosophical position of choice for the study of business relationships as evidenced by the growing number of papers which purport to take this position (Mouzas 2001; Morais 2003, 2008; Ryan and O’Malley 2006; Sousa and de Castro 2008). From a critical realist perspective, in studying business relationships one is attempting to identify structures and the mechanisms by which the nature of the relationship are brought into being (Sayer 1992). The enactment of particular powers and liabilities under particular causal conditions affect the relationship in different ways. This approach allows for reflection on key questions as to why things stayed the same and why things changed, and critically, what were the necessary conditions for this to be possible.

Notwithstanding the growing use of Critical Realism, we acknowledge that is not easy ontology to apply. The language and concepts it uses are opaque in nature (Danermark 1997), and, as with any ontological position, being consistent necessarily limits researcher agency. Moreover, it is a philosophy *of our times*, constantly being written and debated within critical realist community. While attempts have been made to

introduce the philosophy to business relationship researchers (e.g. Easton 1995, 2002), there is a lack of clear examples. What is needed, therefore, is a discussion on the nature and process of research taking this ontology, in order to move past the 'introductory' texts, and open up the debate as to what it means **to do** critical realist research. This will also aid in answering the recently offered criticism of employing critical realism in business relationship research, that is, "what does it offer us that is new" (Wilkinson 2008).

This paper fills in the gap by showing how to design and execute a study on business relationships using critical realism as ontology. This will involve a discussion on how this perspective affects our view of business relationships, the research design, and the theorisation process, moving from thick description common in small N studies towards analytical generalisation (Yin 1994). Throughout the paper we will draw on examples from three studies (referred in the text as Study A, B and C). As a result this paper offers a 7 stage framework to support researchers taking this position, which addresses specific thought processes and design issues in critical realist informed research. The paper will conclude by outlining implications for research practice.

The Relationship between Ontology and Theory

For a researcher, it is of utmost importance to understand that in every study, ontology, methodology, and theory are interdependent. Philosophers of science have for long argued that both our values and world views influence the way we do research, irrespectively if we recognize it or not. We agree, and thus feel that every researcher should make conscious choices on what world view i.e. ontology to apply in a study. Figure 1 below (adapted from Easton, 1995) illustrates the interdependence researchers need to acknowledge when designing their research. In this study, the chosen ontology is Critical Realism, and the rest of the paper will show how that decision influences all the other choices.

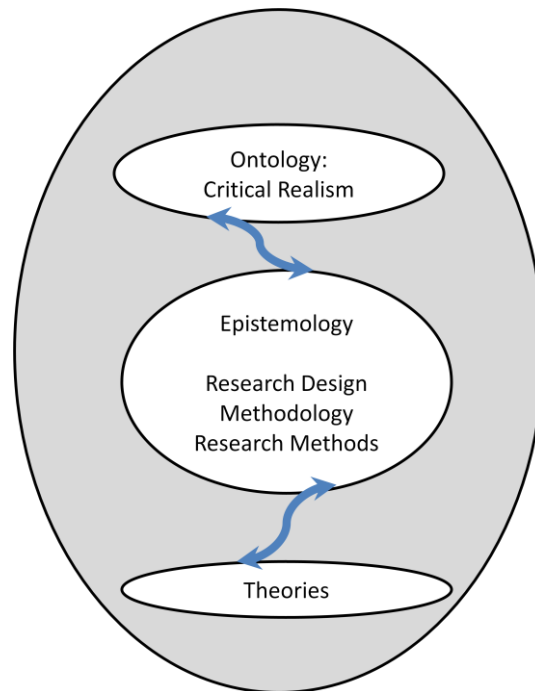


Figure 1. Critical Realism Influencing the Choices in Research (adapted from Easton 1995)

This influence also applies the other way around. Each theory or framework we use in our research has been informed by its developers' ontology, whether or not the ontology is made clear or otherwise. Moreover, our own choice of theories and frameworks will itself be informed, explicitly or otherwise by how we view reality. However, beyond our doctoral theses it seems that an explicit discussion on the view of reality that underpins our work remains marginalized in journal articles or conference papers. Although the constructs and frameworks did emerge from certain ontological perspectives, they therefore become disassociated from them. This makes it even more difficult for other researchers to acknowledge their ontological assumptions when applying existing constructs and frameworks. Nevertheless, this paper supports an explicit discussion on ontology, since that would help the development of ontologically coherent studies and theories.

A Critical Realist perspective on the Nature of Business Relationships

Since ontology answers the question; how do I see the world, we first answer the question of how does critical realism see a business relationship. Critical realism sees

social structures as ontologically real entities (Bhaskar, 1978). This makes it possible to also contemplate business relationships as ontologically real entities, which can have emergent powers to cause events under certain conditions. Thus, in this sense we view business relationships as social structures, which like other social structures change over time. However, while change has been recognized as a key concept in the study of business relationships, for social structures to be studied and understood, relative stability in form is also required. A business relationship therefore is considered to be transforming (changing), or reproducing itself (staying the same) in response to triggers of change over time.

Business relationship development therefore refers to changes at different levels, including the apposite learning between changes, whereby the structure (stabilizing force) emerges. The concept then takes on another dimension therefore, which can be captured by the term learning. This process of changing, learning, reproducing and transforming, is considered to emerge throughout the life time of the entity.

A central tenet of the critical realism, which underpins the above conceptualization is that reality is stratified and non-linear “consisting not only of events but objects, including structures, which have powers and liabilities capable of generating events” (Sayer 1992). The stratified nature of reality is understood on three dimensions. The empirical domain is where experiences may be obtained by direct observation. The actual domain refers to the pattern of events that occur whether the actors or researcher experience them directly or not. The real domain consists of “the processes that generate events, in which generative mechanism or causal powers exist independently with a tendency to produce patterns of observable events under contingent conditions” (Outhwaite 1983, 322).

Reality therefore is not obvious, self-evident or transparent where the researcher’s main project is to discover what causal powers act in what ways in order to understand the nature of examined objects. Critical Realism also takes into account the situational and contingent nature of causal powers, which means that they depend upon certain conditions in order to operate (Tsoukas 1989). As causal mechanisms become activated and actualized, events occur. According to critical realism events are said to take place at the domain of the actual. It is thus through events that business relationships are either reproduced or elaborated. Our empirical observations reside at the domain of the empirical, which cannot be conflated with two other layers of reality. It can be argued therefore that as one writes about business relationships, one does not construct

relationships, but instead construes or conjectures what can be the case. Understanding the world in this way allows us to see causality, not as a simple concept as in positivism, and not as impossibility as in constructivism.

The primary goal of a Critical Realist informed study on business relationships will be to understand the very nature of the relationship, its causal powers (ability to influence change) and liabilities (susceptibility to change), and the mechanisms by which the nature of the relationship is brought contingently into being (see figure 2 below).

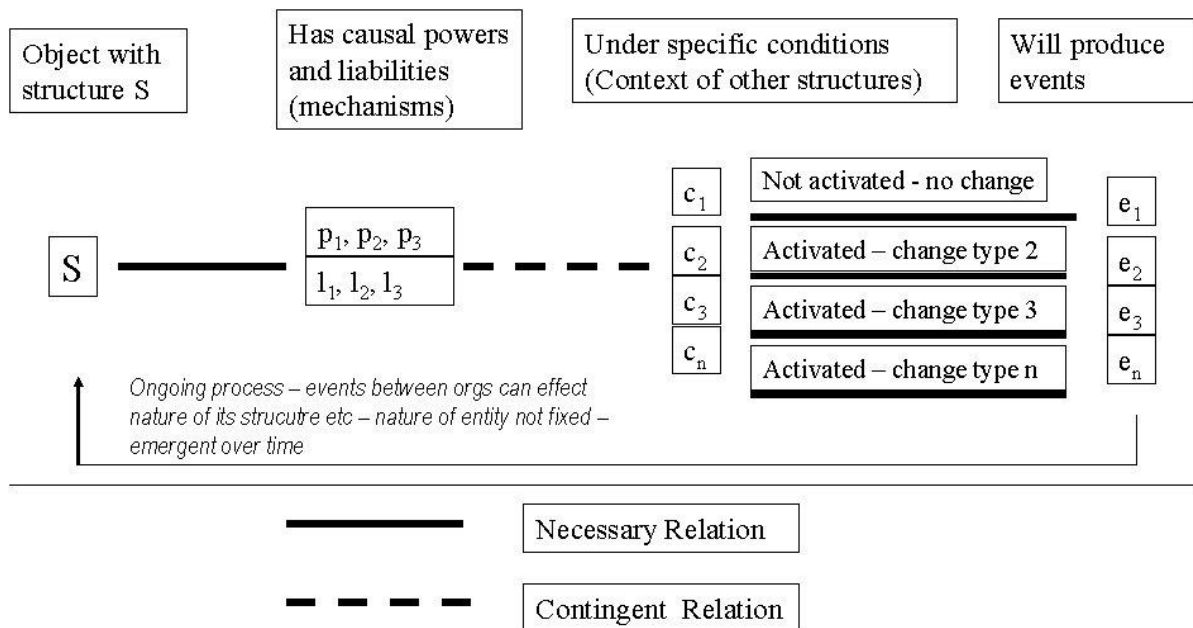


Figure 2 Adaptation of Context driven causal research from Sayer (1992)

Sayer's (1992) model above identifies the key aspects of a critical realist explanation of relationships. In this case therefore, the Object is understood as the business relationship itself, who's Structure, is made up, but not reducible, to the two organizations that make up the dyad. This relationship is then understood to have certain causal powers and liabilities accruing by its nature. By powers in this case it is meant the ability of the relationship to affect the behaviours of both parties, for example, one party making adaptations for the sake of the relationship. While the relationship can exert influence on both parties behaviour, it is also liable to be changed over time; to continually transform in response to the dynamic needs of both parties and changing external conditions. However, these powers and liabilities remain, theoretically speaking, mere potentialities until triggered under specific conditions, thereby becoming activated.

Moreover, the relationship exists within an open systems context which denotes constant dialogue both within the focal structure and between the focal structure and other nested structures of which it is a part. Importantly, by this, critical realism does not reify business relationships, but instead acknowledges all social structures as dependent on underlying human activity. From this perspective also, business relationships, like other social structures, can have additional emergent properties, which are not reducible to the sum of atomistic activities of individuals.

Therefore while events that emerge are observable and bring about outcomes that are themselves observable, the mechanisms that enacted those powers are neither transparent nor static in nature. That is to say that the two interacting powers may counter each other and so their effect may not be seen (Sayer 1992). This concept fundamentally alters our view on relationships and how they might develop over time, and particularly on how we attribute the causes of the nature of that development.

To illustrate this view on business relationships, we will now look closely at a particular sequence of events observed in the research of Research Project A, which involved the relationship between a sponsoring (org A) and sponsored organization (org B); the period of research spanned the years (1991-2001). The sequence of events concerns the activities following a financial crisis in Org B, which activated latent potentialities of the business relationship. Accordingly, in Figure 2, the financial crises correspond with the “context”, which allowed for new kind of activation of the relationships causal powers. More specifically, as Org A was considered expert in financial management matters, Org B deferred to their expertise following the crisis. As these potentialities of the relationship became activated, Org A was observed to act benevolently, even paternalistically, asking Org B to file reports on how it was coping and changes they were making to their financial management systems to help prevent this occurring in the future. What is interesting to note, is that while this evidences the activation of Org A’s power and Org B’s susceptibility to be changed, it also provided the impetus for Org A to enhance its own financial management capabilities. These enhanced capabilities served to make Org B more confident, overall, in taking more space in the relationship and taking control over key aspects of the relationship that they felt better qualified to manage; thus serving to change the nature of the relationship itself.

This illustration makes clear that while we may observe the enactment of powers by one party in the relationship, and the opposite liability enacted by their counterpart, we need

to understand these in context, and also recognize their effect on the relationship over time, whereby that effect may not be immediately evident. The above case exemplifies that the powers and liabilities of each party are enacted when triggered, either internally or externally, which then go on to sanction particular behaviours in the relationship. Therefore while the potentiality of causal powers and liabilities of both parties continue to exist they require certain triggers to be activated.

From critical realist perspective, business relationships are recognized as being continually shaped by the interplay between parties, whereupon their nature is reproduced or transformed through interactions over time. We therefore put forward the following definition of relationships by Ring and Van de Ven (1994), as one that captures and delineates these particular qualities of business relationships.

“From a developmental process perspective cooperative [business relationships] are socially contrived mechanisms for collective action, which are continually shaped and restructured by actions, and symbolic interpretations of the parties involved. Thus, just as an initial structure of safeguards establishes a context for interparty action, so also do subsequent interactions reconstruct and embody new governance structures for the relationship” (Ring and Van de Ven 1994)

The processes of the relationships in the studies A, B, and C discussed here were viewed as encompassing the actions performed by the involved actors, their perceptions and decisions concerning the future of the relationship, as well as the consequences of these actions, perceptions, and decisions with regard to the relationship. The underlying assumptions are that during the processes of relationship development (including processes apparent in starting, maintaining and ending a relationship) the business relationship changes and that these changes manifest themselves in the substance of the relationship. Using the concepts of Pettigrew (1992), the actions change the inner and the outer context. In other words, what happens in the relationship may change the relationship itself, the parties, and the focal net of other actors in which the relationship is embedded, and vice versa. Concurrent with the examination of changes in the relationship, we must also consider what ‘stayed the same’ (Easton 2002), understood in terms of the norms and institutionalization processes (Heida 1994; Håkansson and Snehota 1998) that emerge and give the relationship its structure over time.

To sum up the conceptual level, which forms the stage A in the 7-stage Critical Realism informed research wheel (see figure 3), critical realism as an ontology helps us to see (and therefore to study) business relationships as dynamic processes, changing,

learning and reproducing. Critical Realism helps us to explain how and why these processes take place by pointing our attention to not only the events that take place, but also to the bundle of the sometimes opaque mechanisms behind them. The 7-stage research process model was developed to guide researchers through the decisions of any study, where researcher is putting the Critical Realist ontological position into use (Danermark et al. 1997).

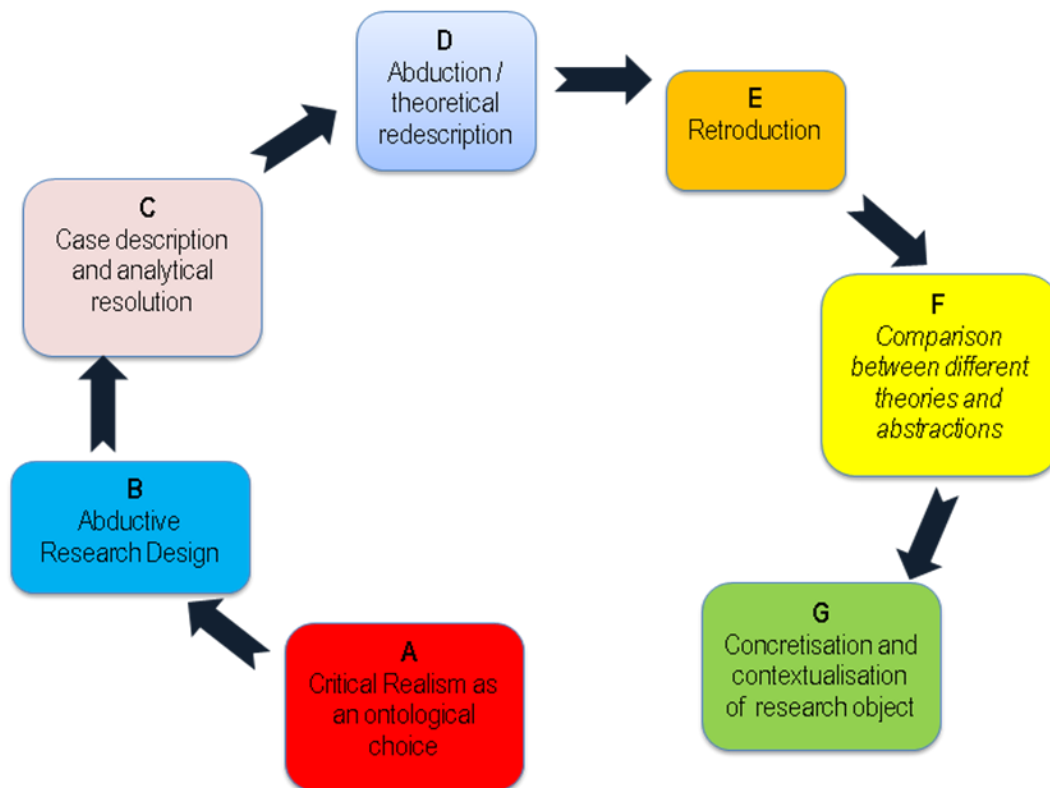


Figure 3. A 7-stage Critical Realism Informed Research Wheel (developed from Danermark et al., 1997)

The next section describes the stages B and C, an apposite approach to research design, that is, an abductive design and a processual case study. In particular it is argued that such research design allows the researcher to search for processes and structures that would not be immediately evident, but can emerge during an ongoing interactive data collection process (Easton 2000).

Designing Critical Realist Informed Business Relationship Research

Critical realism incorporates an interpretivist epistemology (Archer et al. 1998; Balihar 2003; Morton 2003), where reality is seen to exist largely outside of our understanding of reality, but we navigate that reality through our own frame of reference, itself socially determined. In terms of research, this delineation calls for methodologies that go beyond the overtly empirical, where data is open to probing and interpretation, something which is allowed in case based research (Easton 2000).

“Case research can, in theory, be used to describe empirical events and by its use of multiple data sources, trace out links over time, digging ever deeper, and following through the actual to the real domains” (Easton 2000: 211).

An abductive research design involves the planning of research so as to allow for a constant interaction between approach empirical data and (Chamberlain, 2006; Kovács and Spens, 2005). Charles Sanders Peirce (1839-1914) is often referred to when discussing abduction, although he labelled the term ‘quite useless’ (1903a, p. 90) and claimed that he only used it to translate into English a term used by Aristotle. The abductive approach is rewarding in this study for two reasons. Firstly, the study’s aim is to discover new things, to develop and refine an existing theory (see Dubois and Gadde, 2002). Peirce (1903a, p. 90) even claims that ‘all the ideas of science come to it by the way of Abduction.’ Secondly, the abductive approach helps to explain a surprising phenomenon (Kent, 1987, p. 179) or observed fact (Peirce, 1903b, p. 117). Moreover Blumer argues that treating concepts as sensitising aids supports the researcher in the development of making concepts clear and definitive. A sensitising concept gives its user ‘a general sense of reference and guidance in approaching empirical instances’ (Ibid, p. 7), and the phenomenon to which a sensitising concept refers ‘shapes up in a different way in each empirical instance’ (Ibid., p. 8). Through the refinement of sensitising concepts by empirical studies (see also Chamberlain, 2006), researchers can advance theory towards more definitive concepts.

Within critical realism, case research is seen as being particularly fruitful in explaining complex social phenomena by identifying deep processes and structures that cause particular events to happen and furthermore by identifying the necessary conditions for this to occur (Easton 1998). The position taken in the Studies A, B and C was to reject that relationships are singular entities or that critical periods in the relationship can be viewed as discreet events. Rather the relationship is recognized as a multi-dimensional,

constantly developing process. Moreover, while in critical realism events are of key importance in understanding how an entity forms and reforms, we consider such events, not as discreet or themselves singular but as embedded in overlapping sets of processes over time. A research design consistent with this position is a processual research design (see Pettigrew 1990, Pettigrew 1998, Van de Ven 1992), which is based on the world view that social reality, and therefore also a business relationship, is a dynamic process. Several authors (see e.g. Easton 1995, Halinen & Törnroos 1995, Halinen 1997 p. 311) agree and have argued that processual case research is needed to capture the dynamic aspects of relationships. While, in this paper, we are building upon the extant research on processual research, it will also be important to highlight its limitations and what can be done to advance the usage of this approach from a critical realist perspective. This aspect of the work will be explored at the end of this section of the paper.

Processual case research has been developed within the management literature, for example by Van de Ven et al (1987, 1990, 1995) and Pettigrew (1998). According to Pettigrew's (1998: 338) definition, processual research is concerned with "describing, analyzing, and explaining the what, why and how of some sequence of individual or collective action". Processual research thus aims at catching the occurring reality "in flight" (Pettigrew, 1998 p338) and explaining not only what happened and how, but also why, i.e. causality. While the search for single causes refers back to a variance theory paradigm, Pettigrew (1998) suggests "we are now attempting to theorize about constellations of forces shaping the character of the process (context) and its outcomes". Context refers not only to the stimulus environment, but also to a "nested arrangement of structures and processes where the subjective interpretations of actors, perceiving, learning and remembering, help shape process" (Pettigrew 1998, 338). Our discussion on critical realism and causality in particular, allows us therefore to see the potential within case studies to develop explanatory knowledge regarding the necessary conditions for an entity to occur the way it does.

Processual research calls upon the researcher to consider and define the sequence of events, actions and activities unfolding over time in context. This suggests that actions drive processes but actions embed in contexts which shape the actions and are shaped by them. Therefore time and timing are extremely important aspects in the attempts to explain processes: the past is always shaping the future and what happens, how and

why it happens is dependent on when it happens. Appreciation of the time in processual analysis also means linking the processes to outcomes of them.

This also has implications on the type of data that is being gathered. The understanding of powers and liabilities inherent in any emergent entity is facilitated by the creative use of multiple data sources, which can include the retrospective documentary evidence as well as rich insights gained from in-depth interviews. Data integration both in source and nature is important, and in interviews, narratives are of particular importance. Through narratives of individuals, a researcher can not only have a story of how the phenomenon developed over time, but also examples of how different individual actors in different positions within the relationship and the company actors perceive the processes differently. The following analysis of narratives by managers in research project C illustrates how a single organizational relationship is perceived very differently by individual managers:

From the outset the production manager of the joint venture had friendship relationships with the middle management of the Polish parent on the basis of his previous employment there. Also, he had a personal relationship with the president of the company who had named him as the leader of the establishment team. In his role as member of the board of directors he soon developed organizational and reporting relationships with the supervisory council members of the Polish parent. The managing director of the IJV, on the other hand, interacted quite a long time in reporting and organizational relationships with the Polish parent but during the last couple of years created also personal and even friendship relationships with the firm when the top management and supervisory council members changed. The other managers describe their relationships to the Polish parent either as organizational supplier-customer relationships or reporting relationships. (Research project C)

A critical realist explanation involves a gradual transition “from actions through reasons through rules and thence to structure” (Sayer 1992, 112). The actions undertaken by actors within each organization involved in the business relationship will therefore become an important unit of analysis. Researcher can therefore search out the actions, and related perceptions and decisions concerning the future of the relationship, as well as the consequences of these actions, perceptions, and decisions with regard to the relationship. Individuals having experienced the phenomenon under study are seen to be able to tell about the reality by describing the events and their experiences of them. The need to ask several people for descriptions is likely to lead to contrasting views of what happened there. Moreover, the tendency for interviewees, for reasons of narrative, to conflate the past and present by merging time and events together, is acknowledged.

This tendency, however, is not seen as something inherently as a flaw, but acknowledged as a reality (Coffey and Atkinson 1996).

The role of the researcher is to understand these narratives as ways in which informants organize experiences, the ordering of which illuminates their importance. Thus, the meanings are seen to be created as an interaction of the researcher's concept system and the concept system of the object of the study. The methodology is therefore characterized as ideographic, which stresses intensive research by getting close to the subject and letting it unfold its characteristics during the investigation. Through analysis of subjective accounts the aim is to reach rich descriptions of real-life situations and to get beyond the directly observable. Indeed the narrative structure, that is, function and language and rhetorical devices used, adds a further layer of depth to an understanding of the nature of the relationship where the external and internal dynamics affecting its nature can become more apparent.

While the assumptions governing both processual notions of change and critical realism foreground the dynamic and emergent nature of reality, the integration of these concepts is not automatic. For example while the processual case study approach offers a useful organizing framework to aid in the analysis of case studies, it remains overly empirically in nature; that is, it does not acknowledge that while events or processes may themselves be observable, the powers and liabilities enacted by mechanisms may not (Sayer 1992). Moreover, while processual research focuses us to think about sequences of actions in time, and to set out the data to allow for this to be reflected upon, this should only be considered a starting point. Reason being from a critical realist perspective on causality, we understand that the effect of a generative mechanism or necessary condition may not coincide directly with an empirical event (Sayer 1992). As an excerpt from Study A below illustrates the construction of a chronological account of the case study can only be considered a stage in the wider process.

The detailed case analysis and presentation offered an important thick description of the developing of the relationship; it was still unclear as to what caused these events to happen in the manner in which they did. Moreover, it seemed, at that time, that the case merely corroborated existing theory, rather than offering a novel and substantive contribution to the extant knowledge on interorganizational relationships. Study A

Time is something to be explored and not just documented either literally or on a simple linear dimension. Therefore, while a processual research design is not sufficient within a

critical realist position, once the gaps are realized, the researcher can go on to make good use of processual research design in her/his study.

We will now continue to the remaining stages D, E, F, and G, which taken together form the phase where theory is being developed in a study.

Building Critical Realist Informed Theory on Business Relationships

“If a defensible causal explanation has been produced in one case then the constituents of that explanation (through abstraction) provide a basis for developing theory beyond that case” (Easton 2003: 22)

The concept of generalisability has been seen as particularly contentious within case study or qualitative type studies (Tsoukas 1989; Easton 1998, 2003). The reason for this lies in the issue of the ability to generalise from the specific to the general. In quantitative studies, where a large random sample is used, there is confidence that the findings of the research can then be generalised from the sample group to the wider population, that is an empiricist concept of generalisability (Danermark et al. 1997). However, this contrasts with the realist view of generalisability which, according to Bhaskar (1978: 227) “does not lie on the face of the world, but in the hidden essence of things”. For critical realists, the positioning of case studies either within a theory development frame or merely as a preliminary phase in a research project is to marginalise their explanatory potential (Tsoukas 1989). According to Tsoukas (1989) the role of cases, as heretofore prioritised, is based on the assumption that objects of knowledge are atomistic and empirical in nature, that is constitute facts that have been empirically experienced. Further to this, lies the assumption that event conjunctions are the raw material for theory building where consequently, any empirical regularity is fused with the casual laws underlying them. In this context then, case studies, by their nature are seen as far as explanatory knowledge is concerned, epistemologically inferior (Tsoukas 1989). However, according to the author “within the realist paradigm, explanatory idiographic studies are epistemologically valid because they are concerned with the clarification of structures and their associated generative mechanisms, which have been contingently capable of producing observed phenomena” (Tsoukas 1989: 556). This analytical generalisation requires certain thought processes to be achieved, namely abduction and retroduction, which we will now explain further.

Abduction (stage D) refers to a level of theorisation of the case and incorporates the framing and reframing of the empirical phenomena within differing theoretical frameworks, the objective of which is the identification of the framework that best explains the phenomena. This allows us to “understand something in a new way by observing and interpreting this something in a new conceptual framework” (Danermark et al. 1997: 77). The primary goal in this stage is the unearthing of the necessary conditions for the entity to be what it is, the achievement of which is facilitated by the employment of retroduction (stage E). Retroduction refers to “a thought operation involving a reconstruction of the basic conditions for anything to be what it is” (Danermark et al. 1997: 206). Thus, retroduction implies that researchers look for the conditions or qualities that make the phenomenon beyond what they can immediately see. Retroduction compels us to ask, not only what happened, but what could happen or what hasn’t happened. While this might seem an obtuse or opaque form of reasoning, it can be quite powerful in attempting to understand the nature of an entity. For example, following on from a sequence of events discussed earlier in research project A where Org B faced a financial crisis, which Org A helped to resolve. We also discussed how the manner in which they did this provided the space for Org B to develop particular capabilities in terms of their financial management. Three years later however, Org B again faced a financial crisis. This was due mainly to contingent external conditions, but also because they increased their size and scope. What is interesting to note here is that the manner in which both organizations dealt with the second crisis was wholly different, where Org B took a more active role, calling on Org A to support them in very specific ways. Attempts to understand the relationship dynamics in this case therefore involved asking the question ‘why did Org B act differently in the second crises, or why didn’t they act the same as the first crises’. These questions are therefore essentially asking why something didn’t happen, and through such thought processes a deeper understanding of the nature of the relationship could be gained.

For Easton (1995) this kind of case research is capable of providing valid explanatory knowledge, which “requires the researcher to identify the contingent causal powers that are operating in the particular situations under research and the ways in which they combine and interact in order to create the particular events observed in the empirical domain”. However, the explanation is not the type of positivistic research, which aims at predicting the probability that there exists a causal relationship between certain variables. Instead the explanation is given at the level of theory when the causal

mechanisms underlying the dynamics in the observed events are searched for. As suggested earlier taking a critical realist ontology compels us also to collect and engage in our data in such a way as to understand the generative mechanisms which cause, contingently, relationships to emerge in the manner in which is observable. The thought processes involved, that is, retroduction can lead to novel insights emerging from the data:

The idea about the generative mechanisms was the most important for me. It made me focus on the drivers of the developments and really try to look for what was going on, in a way, beneath the surface of the development of the net. As a result I could divide the 12 year development process to 6 different periods that had different kinds of drivers and defined especially 5 specific ways of acting associated with the changing of the relational embeddedness and the development of the IJV. Research project C

In theorizing from case studies, critical realism provides the arguments for searching for the ways of acting of the contingent causal mechanisms inherent in the nature of the things and events concerned. These mechanisms can emerge in differing states including within the conscious intentions of actors, in a less observable state within the context of processes or in the forming of interaction or enactment of elements between process and context (Pettigrew 1997). The unearthing of the key sequences of action, the main transition points in the relationship, the critical personalities involved, and the multiple levels of analysis and how these impacted on the core stream of activity facilitate the achievement of such an understanding. The following excerpt outlines how a critical realist position can inform the process of building theory from case study research:

By analyzing the content as well as the context of relationship dissolution, the factors influencing the dissolution can be identified. The factors influencing the relationship dissolution are either reasons for the dissolution or attenuating factors. It is assumed that the type of the factors affects the process of dissolution. Because of this, the reasons as well as the attenuating factors are essential elements in the model of relationship dissolution. However, no reason(s) are seen to cause the dissolution as such; instead the reasons are seen as engendering and/or influencing the process of dissolution. Although an engendering factor may exist from the beginning of the relationship, it may not function as a reason for the dissolution, if the parties do not perceive it as affecting the relationship or if some other factors are perceived to attenuate the reason. In other words, causal powers, which generally generate dissolving actions, can be present although they do not generate such dissolving actions in a particular situation". Study B

Moreover the use of critical realism as an ontology enables researchers to understand complex phenomenon without reducing or simplifying it too much. By this we mean that,

for example in research project B, the influence of individual actors within the companies and the relationship became and stayed important throughout the analysis, since critical realism enabled the incorporation of the different views of individuals and to understand how that was part of the mechanisms that generated the end of a relationship. Without analyzing the individual perspectives, the ending process described only at a company actor level (which often is the case, see Mainela and Tähtinen, 2007) might look like a quite simple decision making exercise. We suggest that this example provides evidence that potentiality plays an important role in relationship dynamics. Indeed a wide spectrum of possibilities surrounds the relationships, where actors construct their reality with these possibilities in mind. In this sense multiple and possible pasts and futures surround the relationship and inform and influence actor perception and behaviour and in particular conditions become activated or exercised, thus changing the relationship.

While identifying particular mechanism, the researcher is then required to elaborate on the relative explanatory power of these (stage F). This process builds on both processes D, and E by focusing on identifying the framework that best explains the nature of the relationship under study. This involves the examination of those theoretical concepts that have the greatest explanatory power and ultimately the Identification of overarching theory/framework capturing differing aspects of the phenomena. This level of theorisation, however, according to Danermark et al (1997) must be integrated with a degree of contextualisation and concretisation of the empirical phenomena in order to understand how the different structures and mechanisms identified manifest themselves in concrete situations (Stage G). This involves the examination of how different structures and mechanisms interact with other mechanisms at different levels and under specific conditions. This will be achieved by integrating the theorisation of the case, where the enactment of causal powers and liabilities, triggered by events in relation to specific periods in the relationship are discussed, in order to explicate the most appropriate theoretical frame to understand and explain the relationship under study; and will therefore be carried out concurrently with stages D, E and F. This then allows for further contextualisation, through abstraction, of the causal explanations reached in the study to develop theory beyond the single case (Easton 2003).

Conclusions

Wilkinson's (2008) critical commentary on critical realism offers us an important reminder that the nature and value of any particular philosophical position is something that

should be reflected upon by researchers. In particular Wilkinson (2008: 1) asks “are we just reframing things we already know or identifying elements left out of our existing frameworks”? We argue that the value-added of critical realism is not in and of itself, but in how it helps us to theorize, in other words understand and explain dynamic phenomenon, e.g. the nature of business relationships. In recognizing that our ontological position affects theory suggests that is it possible, and hopefully likely, that taking this position will affect what we understand about the phenomenon, how one goes about their research, and how our studies can contribute to theory.

Business relationships are complex and indeterminate entities which require ontological and methodological perspectives which are capable of dealing with this complexity while at the same time enable the researcher to move beyond impasses currently characterizing research in this field. Our argument is that if we wish to understand business relationships as developing processes, critical realism would not only function well as a conscious choice in ontology, but also allow us to theorize more convincingly than we have been able to do so far. This paper argues that Critical Realism, which is emerging as an alternative ontological position in management research, can do much in this regard. However, the mobilizing of this position is not an easy task. The opacity of the language and concepts of Critical Realism have been recognized, and many attempts to introduce this approach to the business research academy have not moved beyond the introductory stage. This paper has aimed to progress this by explaining the 7 stages with the help of three research projects, whose aims were to understand the nature of relationship (and network) dynamics over time. The seven stages, taken together show how to design and execute an ontologically coherent study, which applies Critical Realism. It shows how a business relationship can be conceptualized, how a study can be designed, and how we can theorize about business relationships using Critical Realism. We suggest, that at a minimum, explicitly taking this position supplies a much needed ontological position where much of the conceptualisation of the nature of reality and how we might understand it being noticeable by its absence within the IMP discourse (notable exception is the work of Easton 1992, 1995).

So what can we say, as researchers who have taken this position to understand relationship dynamics that this position has offered new? Firstly we argue that taken within a critical realist perspective, we can extend the use of processual research design as has been already introduced by Pettigrew (1998 etc). Processual research calls upon

the researcher to consider and define the sequence of events, actions and activities unfolding over time in context. This suggests that actions drive processes but actions are also embedded in contexts which shape the actions and are shaped by them. While the processual case study approach offers a useful organising framework to aid in the analysis of case studies, it remains overly empirically in nature; that is, it does not acknowledge that while events or processes may themselves be observable, the powers and liabilities enacted by mechanisms may not (Sayer 1992). Therefore while a processual research design is not sufficient within a critical realist position, once the gaps are realised, the researcher can go on to make good use of this approach in her/his research. Moreover we suggest that this form of analysis is only one stage in undertaking a critical realist analysis.

Secondly, the ontology of critical realism enables researchers to understand complex phenomenon without reducing or simplifying it too much. By this we mean that, for example in Research Project B, the influence of individual actors within the companies and the relationship became and stayed important throughout the analysis, since critical realism enabled to incorporate the different views of individuals and to understand how that was part of the mechanisms that generated the end of a relationship. Without analysing the individual perspectives, the ending process described only at a company actor level might look like a quite simple decision making exercise. Thirdly, we argue here that taking a critical realist approach compels us to collect and engage in our data in such a way as to understand the generative mechanisms which cause, contingently, relationships to emerge in the manner in which is observable. The thought processes involved (e.g. abduction and retroduction) in this can lead to novel insights emerging from the data.

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