Dialectic critical realism and an expanded agenda for industrial marketing.

Abstract

This paper answers a call for industrial marketers to consider their place in a broader system of interactions. Using the principles of dialectical critical realism, a framework for such an endeavor is proposed that considers interaction beyond a naïve dichotomy between agency and structure but instead envisages agency as being constrained by external environmental preconditions and internal predispositions in four dimensions. These dimensions, include interactions with nature, with organized resources, with ceremonial and technological systems and with habits of thought. The paper illustrates these dimension with reference to the context of late-liberalizing emerging economies and illustrates how industrial marketing interactions may become emancipatory in a broader system of interactions.
1: Introduction

A central contention of the paper is that industrial marketing has undersold its importance to a broader audience. Hakansson and Waluszewski (2013:454) recently make a very strong case for consideration of the broader impacts of industrial marketing including “society at large”. In this paper we focus on the understated contributions of industrial marketing to the process of human development choosing the context of two late liberalising emerging economies (LeeS) in Africa and South Asia. However, in this paper we see the applicability of industrial marketing findings to a broader audience as a problem of theoretical lenses as well as context. We apply the emancipatory lens of dialectical critical realism to seek to identify causal, ‘real’ forces that impact on and constrain agency. The unique institutional environment of Lee countries makes a critical realist examination of firm activity in an embedded national and local socio-economic context compelling. Our deployment of the ‘dialectical’ notion of critical realism is grounded in its usefulness for explaining what is ‘absent’ and indeed what is ‘wrong’ in the context of LeeS rather than document what is simply evident. Roy Bhaskar (quoted in an interview with Buch-Hanson, 2005:65), the founder of critical realist thought discusses his notion of absence.

“…the essence of dialectics: You assume that you're proceeding in the right direction until you have a problem, an inconsistency, a dichotomy, an antinomy, an aporia of one sort or another. When you have a problem of that sort, then you know that you've left something out, so you have to look for a deeper level of structure in science which will rectify the absence. When you've successfully rectified the absence, then you'll be able to restore consistency.

Thus, our intention in this paper is emancipatory. We seek to propose a framework for examining constraints on agency in a context of some social importance, that of late-liberalizing emerging economies. By further harnessing Archer’s notion of morphogenesis, we also discuss how industrial interaction can be part of a loop that reinforces the unique institutional conditions of LeeS or positively transforms them. Through this process, the impact of industrial interactions on society in LeeS can be more broadly assessed. The central contribution in the paper is therefore to extend the debate on the use and value of critical realism to the later principles of dialectic critical realism and position how the principles of DCR can be used to identify an
expanded emancipatory agenda for industrial marketing. We illustrate our framework in the context of industrial SME development in Pakistan and Nigeria.

One of the main barriers to the presentation of empirical CR findings is the level of detail needed to explicate the theory. CR is a highly complex set of principles not made any easier by the impenetrability of the language in much of the founding discussion. Whilst empirical steps in critical realism by industrial marketing scholars have been made, such incremental steps rest heavily on the conceptual papers that preceded them (see for instance Easton, 2002). There is a need for further conceptual papers to punctuate empirical progress, particularly where complex philosophical arguments are being advanced. This discussion paper attempts a conceptual step towards a point where further empirical contributions can be made.

The paper is therefore structured as follows. First, we explain the institutional context of late liberalizing emerging economies and in the following two sections, be assimilate views of institutions with discourse around critical realism. We explore the earlier work on critical realism and the more recent principles of dialectic critical realism. We propose a conceptual model based on the blending of concepts drawn from critical realism and views of institution. The last section of the paper presents some illustrative findings in the context of Nigeria and Pakistan with the aim of demonstrating the emancipatory potential of our framework.

2: The institutional environment of late liberalizing emerging economies.

Many studies have explored how the unique institutional conditions of emerging economies constrain and enable agency by firms acting locally. The conditions found in late liberalizing economies make this effect profound (Chittoor et al., 2009). A number of pejorative terms have been applied to describe these regions such as late-comers, lagging regions (Kauffeld-Monz & Fritsch, 2013), peripheral countries, developing nations, or base-of-the-pyramid nations (McMullen, 2011; Prahalad, 2006). In this paper, we use the term late-liberalizing emerging economy (LEE) as we aim to explore agency in the context of the increasing adoption of capitalist market institutions and business practices.
The context for our exploratory discussion is the late liberalizing economies of Pakistan and Nigeria. The institutional environment facing firms in LEEs is rapidly changing and there is increasing acknowledgment in the literature that both formal and informal institutions – known as ‘rules of the game’ (North, 1990) – significantly shape the strategy and performance of domestic and foreign firms in emerging economies (Hoskisson et al., 2000; Wright et al., 2005). Formal institutions in LEEs are weak and underdeveloped, so firms often have to rely on societal norms and person-based relationships (informal institutions) to stay in the game. However, both formal and informal institutions have been suggested to be important in influencing human and organizational behaviour (Holtbrügge & Baron, 2013; Scott, 2007), although many studies seem to conflate the two elements into a single notion of institution. Scholars have also noted that institutions affect the actions of firms, as they determine the cost and context of transactions (Meyer et al., 2009; Peng, Wang, & Jiang, 2008). Since LEE institutions are mainly underdeveloped, firms operating in LEEs encounter higher transaction costs due to the underdeveloped institutions (Chan, Makino, & Isobe, 2010; Luo et al., 2011; Peng, Wang, & Jiang, 2008; Xu & Meyer, 2013). North (1990:6) argues that, “although the formal rules may change overnight, the informal rules normally alter slowly”. Norm based rules are therefore pervasive in the LEEs and many other so called ‘BRIC’ economies. Similarly, Dunning and Lundan (2008:578) indicate, “an institutional system is complete only when both formal and informal institutions are taken into account”.

We argue in this paper that more micro-level (dyad, firm, person) level studies in the industrial marketing (IM) tradition have the potential to add additional insight to the more macro level studies of institutions (national, regional, industrial), for instance those that predominate in the economic geography and international business disciplines. A combination of both macro and micro level perspectives has the potential to provide multi-level insight into weak areas of empirical insight such as knowledge governance processes (Foss, Husted, & Michailova, 2010; MatthysSENS, Vandenbempt, & Van Bockhaven, 2013; Yang et al., 2013) and how small firms cope with the unique institutional conditions of LEEs (Meyer, 2004; Peng, Wang, & Jiang, 2008). We next attempt, to meld views of institutions with critical realist discourse
with a view to proposing a framework with which to gain both macro and micro level insight into the problems of small industrial firms in LEEs.

4: Critical realism

4.1: Critical realism and industrial marketing.

Within industrial marketing research, the more American quantitative tradition has been concerned with causality between defined variables and certain outcomes whereas more qualitative traditions such as the Scandanavian School and the Industrial Marketing and Purchasing Group (IMP) have concerned themselves with depth-insights into industrial marketing phenomena with a heightened concern with the impact of time on business-to-business relationships (Halinen, 1998; Halinen, Medlin, & Tornroos, 2012; Medlin, 2002, 2004). One of the stated intents of the critical realist approach is to open up insight into phenomena embedded in time and space. Leading scholars grounded within the IMP tradition, most notably Geoff Easton, have advanced a case for the use critical realism in Industrial Marketing research to that end. The movement by IMP scholars is interesting, as the fundamental underpinnings of the original interaction and networks perspective (INWP) are challenged by critical realist thought in some ways, but remain satisfactorily consistent in others. A consistency in the two approaches is their anti-foundationalism and their emancipatory intent. A key difference is grounded in the treatment of the voluntarism/determinism dichotomy. The IMP tradition has arguably been grounded in a ‘actualizing approach’ — “the reduction of powers to their exercise, denying any enduring structures underlying the flux of events” (Collier, 1998:689). Indeed, Ehret (2013) argues that the dominant paradigms in the business disciplines analyze agency and structure in isolation. In comparison, critical realism (Bhaskar, 1978, 1979) is an approach that to a significant extent overcomes the dualities of interpretivism and functionalism that beset the business disciplines and to no discreetly lesser extent, the industrial marketing discipline. The philosophical underpinnings of critical realism, revolve around a stratified ontology that challenges both subjectivist and objectivist fallacies in equal measure (Peters et al., 2012). In this sense, Collier (1994:207) proposes that critical realist interventions take place on “disputed ground,” between
crenellated paradigms of thought. The ontological position of critical realism is that there is an independent reality “out there” (Easton, 2002:76; Harrison & Easton, 2002:546) “independent of observers” (Harrison & Easton, 2002:546) and “waiting to be discovered” (Easton, 2002:76).

In his earlier work, Bhaskar (1978, 1979) refers to reality as lying in one of three domains, the first of which he calls the domain of the real. The domain of the real contains the “independent-from-observer mechanisms which create events” (Easton, 1998). These include tangibly real and physical objects but also social structures. As such, critical realism recognizes the influence of matters that lie outside of the perception of individuals, those things that are real – although not necessarily real in a concrete positivistic sense. The domain of the actual contains both the events that occur and are observed and those that occur, but which go unobserved (Collier, 1994; Ehret, 2013). The experiences and observations of agents lie in the domain of the empirical. A central notion of something being real in the critical realist sense is something beyond that which is merely apparent, referred to as transphenomenality – that of an existence beyond individual perception. Indeed, what is real may indeed be different to what is apparent, the notion of counter-phenomenality (Collier, 1994).

“The world is constituted not only by events given directly in experience, but also by the unobserved and perhaps even unobservable entities, structures, mechanisms, and so on, which, existing and acting independently of scientists' knowledge of them [that] govern observable events and states of affairs” (Lewis, 1996:487).

In other words, structures can exist as real but non-apparent forces or presences to sentient actors but such “concepts, ideas, rules and practices, for instance, are no less real for being unobservable” (Mingers, 2004:409). Such unobservable structures are structures “by virtue of the fact that they have spatially, temporally and socially enduring institutional properties that are irreducible to the activities of contemporary agents” (Reed, 1997:33). The unobservable nature of structures are explainable by their existence in extended time as well as space, structures “derive from the historical actions which generated them and which establish a structured context for current action” (Reed, 1997:33). Fleetwood (2005) points out that it is wrong to say that events occur independent of an actor’s knowledge of them when actually they only exist independently of a actors ‘articulable’ knowledge of them, actors do possess
tacit knowledge of events. Ehret (2013:316) further notes that a focus only on empirically grounded phenomenon therefore “misses unobserved events and dormant causal mechanisms”. Hence, it is possible for a researcher, through a process of retroductive abstraction, to create a picture of causal mechanisms from the accounts of multiple agents who empirically share time and space experiences (Lawson, 1989). Demi-regularities are connections existing in specific time and space contexts that emerge from the abstraction process and are the differences and similarities apparent to a theorizer (Brown, Slater, & Spencer, 2002; Lawson, 1989). Lawson (1998:173) proposes that:

“…abstraction must be put to work identifying and comprehending that aspect, or set of aspects, of reality that is essential to the phenomenon (including contrast) that we want to explain, rather than say, in determining that aspect which is merely the most general.

A key task of a theorizer during the abstraction process is to reveal “containments and enablers of opportunities to act” (Ehret, 2013:321).

The above principles underpin Bhaskar’s transformational model of social activity (Bhaskar, 2009[1986]) – the TMSA model – a framework with which to interrogate phenomena that has been most used empirically by industrial marketing scholars (Easton, 2002; Harrison & Easton, 2002; Matthyssens, Vandenbempt, & Van Bockhaven, 2013; Peters et al., 2013). We next turn to some principles drawn from discussion of the chronologically more recent dialectical form of critical realism that have not yet been fully assimilated into industrial marketing scholarship.

4.2: Dialectic critical realism

The review in this section is based substantially on two works. First is the originating work from Roy Bhaskar, Dialectic: The Pulse of Freedom (1993) and more recently the important review and progress of this work by Alan Norrie: Dialectic and Difference: Dialectical Critical Realism and the Grounds for Justice (2010). Bhaskar has argued that the principles of DCR were implicit in his earlier works but were merely made explicit in Dialectic: The Pulse of Freedom (according to Bhaskar in Buch-Hanson, 2005). However, to develop a conceptual framework for examining industrial interaction in LEEs we blend this work with Archer’s (1982, 1995, 1998)
notion of morphogenesis/morphostasis (M/M) and the recent work of Tauheed (2013) that combines CR and M/M with pictures of institutions.

The objective of DCR is to marry the agency and structure debate with several other macro-level debates that are of significant interest to IM scholars. First is the tension between man and nature and second is the association between man and history. The intent of DCR is emancipatory, much like the underlying assumptions inherent in interpretive/social constructivist approaches underlying many industrial marketing papers. One of the overarching aims of DCR is to present a metacritique on western philosophical traditions. A central distinctive factor in this critique is that of ontological monovalence—a position that western philosophy has been ambivalent to the concept of absence and negativity, placing sole emphasis on presence. This argument builds on earlier themes of CR challenging the epistemic fallacy—essentially the reduction of being to the knowledge of it. An additional mission of DCR is however, the absenting of ills and the removal of constraint (Bhaskar & Norrie, 1998). It is here that an expanded role for industrial marketing can be envisaged, one that furthers emancipation and whose mission is to identify constraints to agency, and the removal of which becomes the purpose of investigation and scholarship. Bhaskar (1998a:593) notes that “dialectics depends on the transformative elimination of absences. Indeed, it just is, in essence, the process of absenting absence”. There are four elements or ‘edges’ to Bhaskar’s dialectic:

1) Non-identity,
2) Negativity
3) Totality and
4) Agency.

Norrie (2010:86) suggests that “we appreciate the dialectic as the great loosener which breaks down exclusive dichotomies between present and past, process and product, one being and another.” Non-identity is the principle that describes entities that exist before our knowledge of them is manifest, but which nonetheless have causal efficacy. This 1st edge extends empirical insight from statement of the real from what is merely perceived to be real, in essence encapsulating many of the arguments contained in the TMSA model (and discussed above). However, the 1st edge in DCR allows for consideration of absence as a real determinate force and
extends to the 2nd edge of negativity which moves analysis of absence from the static to the processual using a four fold polysemy of product, process, process in product and product in process. ‘Absence’ at the 1st and 2nd edge is therefore both synchronic and diachronic as ‘absenting’. Norrie (2010:23) sees absence as being to “deny, reject, contradict, oppose, exclude, marginalize, denigrate, erase, separate, split, sunder, cancel, annul, destroy, criticise and condemn”.

The 3rd edge of DCR is related to totality and the task of DCR is to break down the elements of the connected whole in order to gain insight to a total phenomenon. Totality is seen through its connections and this is achieved through an abstraction process which is referred to as diffracting dialectic – a process of breaking down reality and exposing it to greater scrutiny. A key contribution of the combination of the three edges is the whole includes consideration of determinate absences as well determinate processes and that totality is a transitory object in space and time, constantly becoming and begoing. Reconstructing totality is very much tied up with the identification of demi-regularities and the retroductive abstraction process of a researcher. Lawson (1998:173) makes this potential clear when he suggests that:

“The point of abstraction is to individuate one or more aspects, components, or attributes and their relationships in order to understand them better. Once this has been achieved it may be possible to combine or synthesize the various separate understandings into a unity that reconstitutes, or provides a better understanding of the concrete”

However, totality is only ever seen as partial and the world incomplete and holding the potential for change. This potential lies in the first edge of unidentified facets to reality. Bhaskar (1998a:598) notes the potential of multi-level analysis when he states:-

“…what is present from one perspective, at one level, in some region may be absent from, at or in another. Presences and absences may be recursively embedded and systematically intermingled in all sorts of fascinating ways”

The 4th edge relates to agency, the ability of intelligent agents to act. Within the principles of DCR however, the actions are to some extent affected by the prevailing structural conditions although discussion in DCR moves beyond a simplistic notion of determinism which includes conditioning, limiting selecting, shaping, blocking and influencing. At the extreme end of the voluntaristic spectrum is a euodamonistic
condition of perfect freedom from constraint. The processual intent of the theory is that changes implicates objects in a process of absenting and becoming – that objects absent a state and become something new. In this sense every becoming is also a begoing. A world without voids would mean an absence of potential for change. Absence is systematically bi-polar, both as a simple absence and as distanciation or transformation.

The IMP tradition has concerned itself with the study of process. It is possible to envisage DCR as a means through which insight into absenting and becoming are incorporated into the product of IMP process theorizing. We seek to identify the emergent properties of business relationships in an LEE context. Ehret (2013:321) notes that:

"Anthropologists have identified social interaction as a distinctive source of value. They identify relationships for sharing resources and competencies as major drivers of social and economic evolution in diverse societies from pre-historical communities, aboriginal societies to post-industrial urban areas”.

The understanding of the emergent properties of business interaction is an area of weakness in IM literature and equally, as is an appreciation of contingency factors in business markets. Ehret (2013:321) further suggests that:

"We still have little understanding on the role of contingencies, for example those in the macro-environment that have been shaping the rise of business markets”.

A study of the institutional aspects of LEEs and how they constrain and enable business interaction would therefore advance our understanding on business development in LEEs. Matthyssens, Vandenbempt, and Van Bockhaven (2013) argue that the principles of the IMP tradition and institutionalism are compatible within a critical realist approach. We therefore next move to propose a conceptual framework fit for the purpose of investigating industrial interaction in LEEs and which demonstrates an emancipatory intent.
5: Conceptual framework

This paper provides a way-marker for the authors in an ongoing empirical investigation of industrial interaction in LEEs. The paper therefore marks empirical work in progress. Our framework builds on the principles of DCR reviewed above but also blends this work with Margaret Archer’s work on morphogenesis/morphostasis (M/M), and the recent excellent contribution by Tauheed (2013) who combines views of institutions with the work of Bhaskar and Archer. We next briefly outline Archer’s M/M model.

Bhaskar credits Margaret Archer with first codifying a defining distinction between critical realism and its close ontological cousin, structuration (for instance in discussion with Buch-Hanson, 2005). Archer (1982:458) states that “the morphogenetic perspective is not only dualistic but sequential, dealing in endless cycles of structural conditioning/social interaction/structural elaboration—thus unravelling the dialectical interplay between structure and action”. The underpinnings of the M/M model therefore seem dialectical in their intent. An attraction of Archer’s M/M approach is the visualization of a series of interlocking processes in which structures are only partially enduring, she notes “any one cycle that happens to rivet our attention, because of its substantive interest, is also recognised to be preceded by anterior and followed by posterior cycles” (Archer, 1998:373). Within industrial marketing scholarship Archer’s M/M approach has been proposed by Peters et al. (2012) to complement the relational time concept of Halinen and Tornroos (1998). Our development of the M/M model here includes the intent to break with the naïve dichotomy of agency and structure and instead to meld Bhaskar’s notion of four-planer being with Archer’s M/M Model. These four planes consist of (as per Bhaskar, 1993, 1998b; Norrie, 2010):

1) Material transactions with nature (and material objects generally);
2) Inter and intra subjective (interpersonal) relations with differently situated agents;
3) Networked social relations at the non-reducible level of structures institutions and firm that includes power, having discursive and normative Dimensions;
4) The internal stratification of the personality.
To form a bridge between M/M and DCR, we also introduce Tauheed’s (2013) work on institutions and slightly modify the description of structures in planes two and three. We next expand on our thinking in making these conceptual assimilations.

Four planer being denotes a series of causal forces, planes 1-3 which are external to the person (which, we will here call preconditions) and 4, which is internal (which after Archer (2000) we will here call predispositions). Plane 1 builds on Bhaskar’s early (1979) work on naturalism and embeds notions of the tangible and natural into the CR intent − what is ‘naturally’ real, otherwise called ‘materially’ real entities (Fleetwood, 2005). Plane 1 structures are denoted by the extent they exert causal forces on agency (the fourth edge).

Buch-Hanson (2005:63) quotes an interview with Roy Bhaskar where he states “unlike natural structures, social structures are context dependent, they're human activity dependent, and they have a greater space-time dependency than natural structures.” Hence, a clear distinction between natural and social structures is made in this discourse. However, the distinction between planes 2 and 3 would seem from the authors’ reading benefit from further clarification, seemingly containing aspects of institutions in both planes, more intangible at Plane 2 and more physical at Plane 3. To better operationalize these concepts, we add two axis definitions into our framework (fig. 1) − increasing structural durability (decreasing susceptibility to agential mediation) and increasing intangibility of the causal mechanism, and we find the work of Tauheed (2013) therefore particularly helpful in re-defining these planes. In attempting to assimilate institutional views with critical realism, Tauheed suggests that a typology can be advanced that consists of:

1) A cultural system that is sub-divided into
   1a) A technological system of tools and skills
   1b) A ceremonial system consisting of rituals, symbols and stories;
2) Resource structures available to agents but which does not or may not have ever formed part of the cultural system.

Tauheed also points to the possibility that readers may perceive conflation between cultural systems and resource structures, but after explanation in his paper; to the authors’ still seemed in need of further distinction. Therefore, whilst helpful, we choose to associate Tauheed’s cultural system entirely with Plane 2 in DCR. For our purposes, we offer further clarification of resource structures. We choose to associate
Plane 3 with resource structures, but further clarify that this Dimension in our conceptualization contains an ‘organized’ element. These organized elements are likely to have more tangibility than plane 2. Tauheed discusses the outcomes of dialectical interaction between these structures as:

a) Re-institutionalization (morphostasis).

b) Institutional adjustment (morphogenesis).

Plane 4 moves from the external to internal determinants (Whittington, 1988); or from environmental preconditions to internal (internal to the person) predispositions. Fairclough, Jessop, and Sayer (2002:8) speak of “dialectical internal relations,” and discuss how the semantic understanding of the external environment is influenced by habitus (Bourdieu, 1990). At Plane 4, individual preconditions are the embedded individual, internal manifestations of social norms. We therefore, after Fairclough, Jessop, and Sayer (2002:8), see Plane 4 as the:

“...semi-conscious [pre-] dispositions that people, particularly in their early lives, acquire through social/material interaction with their habitat and through the social relations in their part of the social field”.

Tauheed (2013:154) further clarifies the distinction between habits and agency when discussing habits of thought which may be enacted only if the external conditions are right. He notes, “if habits of thought are not behaviors, they cannot be actions and are not within the actual stratum or, observationally, of the empirical”. Tauheed’s conclusion is that such habits of thought lie in the dimension of the real. Hence, in our conceptual framework we make a clear distinction between internal predispositions and agency. Our conceptual framework therefore represents the possibly of dialectic between agency and four dimensions rather than a more naïve dichotomous interplay between agency and structure. We also attempt to break with a simple notion of determinism and include identification of conditioning, limiting selecting, shaping, blocking and influencing forces.
In our proposed model we choose to adopt and adapt Bhaskar’s four *planes* but instead propose four *dimensions* of analysis. The logic underpinning this change comes from an unhelpfulness exposed in attempting the analysis appearing later in the paper using the sequencing of 1,2,3,4. The sequencing through which a natural analysis and narrative seemed appeared flow was 1,3,2,4. Hence we choose to redefine the four planes as four Dimensions of dialectic analysis with which to interrogate our research problem.

**6: An emancipatory research agenda for B2B stimulated by dialectical critical realism**

In the following section we present an emancipatory research agenda for IM using the provisional findings of an ongoing investigation into industrial marketing phenomena in Nigeria and Pakistan. We however, classify the result as pre-empirical and discussion is in this paper primarily to illustrate the efficacy of the proposed empirical framework.
6.1: Dimension One: Material transactions with nature.

We first note the comment of (Hart, 1995:987):

“Historically, management theory has used a narrow and parochial concept of environment that emphasizes political, economic, social, and technological aspects to the virtual exclusion of the natural environment.”

At the first plane, constraints on agency are offered by geographic peripherality (see for instance Felzensztein, Gimmon, & Aqueveque, 2012), and topographical isolation. The constraint is offered by kilometric distance from core markets. Peripherality has been the subject of some discussion within the business disciplines although to a lesser extent in the IM journals. Peripherality has been argued to be manifest in ways associable with Dimensions 2 and 3 – for instance in terms of over-embeddedness and regional myopia (Eklinder-Frick, Eriksson, & Hallén, 2011; 2012; Nicholson, Brennan, & Midgley, 2013) – but in Dimension 1, the key agential intervention that overcomes geographic peripherality is the construction by man of infrastructure, such as airports, telecommunications, roads and railways. As a constraint, natural structures are the most enduring and the most tangible of the four dimensions. The absence of key infrastructure is therefore causal and dialectically creates a morphostatic loop. Industrial interactions are therefore enabled by the presence of infrastructure and constrained by the absence of it. However, the presence of infrastructure will not deterministically cause industrial interaction, whereas its absence will more certainly constrain interaction. Hence the demi-regularities of real determinate absence are causally enduring.

A second factor pertinent to discussion at Dimension 1 is the presence or absence of natural resources. Following on from the comments cited in opening this subsection, Hart (1995:986) also notes that in discussion of the resource-based view of the firm,

“…this theory (like its more limited internal and external predecessors) still contains one serious omission: It systematically ignores the constraints imposed by the biophysical (natural) environment”.
The possession of natural resources in Nigeria for instance, such as oil can greatly enable the potential for local interaction, particularly with resource-seeking non-local actors. As a nation dependent predominantly on its oil wealth, the Nigerian economy has experienced a decline in its oil sector in recent times which has mandated the need to diversify the economy. Institutional reforms in the nation, though still in a nascent stage, have all the same helped to drive improvements in the contribution of its non-oil sector. Since 2001, the nation has experienced a sustained growth in its non-oil sector which rose to between 8 and 9% in recent years – a 240% increase compared to a decade ago (World Bank, 2013) and remains so even in light of the global financial crisis (Lin & Treichel, 2011). Hence, the inevitable absenting or real determinate absence of natural resources degrades the potential for industrial interaction, and when present, enables interaction.

The further aspect of dialectical interaction is the constraint that humans place on nature and in this Dimension. Matters of sustainability and interaction with the green environment can be defined as lying within this Dimension. The emancipatory agenda for IM considered in Dimension 1 would involve consideration with the study of business interaction in the presence of natural forces (both as constraining and enabling forces). The dialectic however should also been seen as two-way, encompassing how business interaction changes natural processes.

6.2: Dimension Two: Organized resource structures

One of the key constraints we find in our investigations in Pakistan is that lack of presence of investors from advanced economies. These investors reduce opportunities for local firms to benefit from the effects of positive spill-overs, or from the conscious attempts of foreign investors to affect supplier catch-up due to supplier development programmes. Foreign investors we define as being at Dimension 2 in that they are an organized resource structure. We attribute re-institutionalization (morphostasis) to the absence of foreign investors and knowledge generating institutions. We therefore defend our position of higher structural durability at plane 2 over plane 3 based on the constraint offered by the absence of organized resource structures.
In Pakistan, the importance of governmental organizations on SME development proved significant. In both Nigeria, the organized resource of universities provided a further domestic source of knowledge transfer. However, an organization we identify in Nigeria that seems to be a significant causal force in industrial interaction at Dimension 2 are religious institutions. Bhaskar (in Buch-Hanson, 2005:66) reflects on a factor found to be of some significance in our focal countries.

“At the same time I became aware that there was another taboo here, you saw for instance how the church had survived in Russia, and how important the church was in societies like Poland. There was a problem about explaining this. Everyone knows that religion is sort of unpopular in North-Western Europe. But actually it's a huge force in the rest of the world.”

Religion in Nigeria has been a major causal force, and whilst theologically pluralistic is demonstrates a major institutional and geographical definable dichotomy between Christianity and Islam. The religious texts of the two main influential religions in the nation read that “the love of money is the root of all evil” and that an individual’s status is preordained by a transcendent God. In relation to businesses, the fundamental tenets of these religions affect management practices, access to markets and resources (particularly finance). For many, their fellows constitute their primary networks and are used to build capacity, generate word-of-mouth marketing, and access resources. Pentecostal churches in Nigeria are associated with openness to materialism and messages centred on prosperity have been effective in tackling constraints in this dimension. In recent times, the influence of the Pentecostal churches has increased and they have been proactively in engaging Nigerian citizens to change internal norms relating to commercial activity. This message is delivered through church sermons, books, or via other forms of media such as television, internet, radio, DVDs. Hence there clear organizational element to this interaction. Many churches now run special programs aimed at networking, skill development, and gaining access to prominent industry players who are brought in to give talks or share their experiences. In our research in Pakistan, a key element of morphogenesis has been the access to the global pipelines of foreign investors and the subsequent knowledge transfer this enables. The Pentecostal churches in Nigeria attempt to facilitate access to such pipelines to congregations in other parts of the world such as the UK, Canada, Greece, South Africa, or the USA. Such observations are quite consistent with studies of the
evolution of Western Capitalism. Max Weber and later Richard Tawney proposed frameworks in order to capture the role of protestant ethics in the rise of capitalist market economies. (Coleman & Coleman, 1994; Munro, 2010; Tawney, 1926; Weber, 1904). There is for instance growing evidence that the Pentecostal church in Nigeria is a crucial force in stimulating individuals to engage in business activity as well as in shaping institutions conducive to the formation of entrepreneurial market economies, not unlike protestant Calvinism shaped the rise of western capitalism.

The agenda for IM would encompass the well trodden path of foreign investment and interaction between foreign and domestic organizations. It would include lesser traversed paths of contingency factors beyond business to business interaction, such as those between business and universities (Baraldi, Ingemansson, & Launberg, 2014; Wu, 2014), government entities (Lundberg & Andresen, 2012) and research institutions (Boehm & Hogan, 2013). Through our proposed framework, we advocate the study of absence of organized resources alongside the impact of the presence of organized resources. We identify other under researched interactions such as those between businesses and religious institutions, international organizations and third sector agencies.

6.3: Dimension Three: The cultural system

6.3.1: The technological system

We can here demonstrate the interaction between Dimensions 2 and 3. Educational institutions, or more pertinently, the performance of educational institutional are responsible for the levels of skills and technological ability in society. These are the intangible outcomes of institutional morphogenesis or morphostasis. The educational institutions in Nigeria have arguably made more impact on the quantity rather than the quality of labour. Lack of collaboration or incentive to collaborate with industry, incongruence between real market needs and what is taught, are various problems attributed to the educational institutions. Businesses consequently lack skilled labour to undergo their activities. Similar concerns were expressed by respondents in Pakistan and in particular the issue of absorptive capacity (Chen, Lin, & Chang, 2009; Matthyssens, Pauwels, & Vandenbempt, 2005) was raised by many respondents as a
barrier to technological catch-up by domestic suppliers. A logical flow of analysis would therefore be to first consider constraints caused by natural structures (Dimension 1). Morphogenesis would therefore require that organized resources be geographically proximate (Dimension 2), that those organizations have the intent to have a transformational impact beyond the narrow interests of a dyadic interaction – for instance to transfer knowledge, and that local society have the embedded skills to absorb knowledge (Dimension 3). To achieve, effective morphogenesis, firms in our focal contexts may have to place greater strategic emphasis on constraints in this dimension, engaging with skills and education. The agenda for IM would therefore seem to command interaction with training and skills organizations (in Dimension 2). Absence of skills in the short term must be dealt with by greater in house training, and for advanced firms, more active supplier development programs and a greater willingness to transfer knowledge by advanced economy firms would seems synonymous with an emancipatory agenda (Lu, Lee, & Cheng, 2012). These advanced firms are likely in many cases to be foreign investors.

6.3.2: The ceremonial system

The ceremonial system includes the shared intangible aspects that define groups of individuals such as national culture. The impact of national (Giannakis, Doran, & Chen, 2012; Liang, Kale, & Cherian, 2014; Nevins & Money, 2008) and organizational (Beugelsdijk, Koen, & Noorderhaven, 2009) culture on industrial interaction is a well-covered topic but the impact of sub-national cultures has yet received more limited attention. For instance, Nigeria has over 250 ethnic groups (Federal Ministry of Trade and Investment, 2014) with three majority tribes (Yoruba, Hausa, Igbo). The Igbo are regarded as being the most entrepreneurial tribe and have better established closely knit business networks spanning across most states and outside Nigeria unlike the Hausas or Yorubas. Depending on what makes for similarity, favouritism in business transactions or contracts is often dependent on the ethnicity, region, political affiliation or religion of the parties involved. These differentiating factors are the core underpinnings of the informal institutions in Nigeria. They subsequently work to moderate the efficiency of formal institutions (Udechukwu & Mujtaba, 2013). Similarly, Pakistan has strong tribal affiliations and regional identity groups although limited evidence is yet available as how such tribal
affiliations impact on business interaction. The ceremonial system can therefore have national, and tribal cultural underpinnings or be based on religious or political affiliations. These affiliations and interactions can facilitate the development of bonding social capital (Eklinder-Frick, Eriksson, & Hallén, 2014) the lead to the development of business within these groups. A constraint that can occur within these tight bonded groups is that of over-embeddedness (Nicholson, Tsagdis, & Brennan, 2013). What therefore may be enabling in-group is constraining to out group interaction. An expanded emancipatory agenda for IM would therefore include consideration of national and organizational culture, but also should consider more regional cultural traits and also dialectically how knowledge transfer causes morphogenesis in cultures.

6.4: Dimension Four: Habits of thought

We discuss forces at this level as being matters internal to the personality. Many normative forces such as norms and faith at Dimension 3 are expressed as internal predispositions dimension 4. The value of analysis at this level beyond those discussed at Dimension 4 is the identification of internal characteristics that are implicit but distinctive to those factors at Dimension 3. These are factors that are habitual.

Apparent in the small business owners in the Pakistani respondents was the ability of small business owners to make opportunities happen rather than to systematically identifies and analyze opportunities when they emerged. These internal abilities have been termed effectuation capabilities (see for instance Sarasvathy & Dew, 2008; Sarasvathy, 2001). An ability to develop opportunities through an effectuation process is a habitual and implicit characteristic underpinning entrepreneurship. A further example we found, particularly within the Igboan global diaspora was the influence of having a global mindset (Gupta & Govindarajan, 2002; Nummela, Saarenketo, & Puumalainen, 2004) on business interaction outside of in-group affiliations, a type of social capital that has been referred to as bridging social capital (Eklinder-Frick, Eriksson, & Hallén, 2011). An expanded emancipatory agenda for IM would include analysis of the internal predispositions of actors as well as their agency in interaction.
7: Conclusions

Our purpose in this paper is to answer the call of Hakansson and Waluszewski (2013:444) who suggest that industrial marketers can define a greater purpose for industrial interaction. They note, “how supplier customer interfaces are organised is not only of great importance for the direct and indirect involved counterparts, but also for society at large”. We have tried in this paper to develop a framework to answer this call and illustrate this framework through a study of Nigeria and Pakistan. Rather than being exhaustive and taxonomical, the findings are intended to be provisional, exploratory and intended to illustrate the efficacy of the framework. The purpose of the paper is to provide a direction for further discussion and development.

At the first Dimension, we propose that industrial interaction is conducted as a dialectic between agent and nature which includes topography, kilometric distance, natural resources and the green environment. At the second Dimension we propose that industrial interaction occurs between agents and organised resource structures. Such organizations have tangible, material elements but which are man made. The distinction between Dimensions 2 and 3 are the least distinct and we have attempted to define Dimension 3 as being the intangible, informal elements associated with institutions and the interpersonal aspects of societal interaction. We borrow terms from Tauheed to define two sub-Dimensions, a technological systems and a ceremonial system. In Dimension 4 we define internal predispositions as habits of thought, many of which are the individual manifestations of Dimension 3. However, we also note those personality based predispositions such as creativity, innovations and entrepreneurship that greatly enhance the potential of industrial interaction.

Our central proposal is that the principles of dialectic critical realism provide the potential to set the agency of industrial actors in a much wider context, with contingencies both external and internal to the person. We have referred to these as preconditions and predispositions. The framework we have proposed breaks with the naïve dichotomies between agency and structure and between voluntarism and determinism. The four dimensions of dialectical interaction with agents that we have proposed are based on the principles of dialectical critical realism but incorporate work by other authors such as Tauheed and Archer. Other principles of DCR such as
notions of absence and diffracting dialectic are particularly useful when examining contexts of industrial interaction where there are ills, problems or difficulties. An emancipatory intent would be realised by the identification of constraints and by attempt by industrial actors to overcome (absent) these constraints. This is the notion of the absenting of absence. We have used the context of late liberalizing emerging economies to illustrate examples of these problems, and how industrial interaction is both constrained by negative forces, but through agency can transform these causal forces. The mission of industrial marketing therefore can be better defined in terms of both macro and micro level morphogenesis.
Bibliography


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