Towards a re-interpretation of industrial networks: A discursive view of culture

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Abstract

This conceptual paper begins by providing a critique of the modelling of industrial networks in terms of culture. It then goes on to suggest a methodological way out of the theoretical impasse that has been created by the limited ways in which culture has been addressed in network studies. We argue that networks are a promising metaphor to explore marketing practice, especially in international trading contexts. Building on the work of Capra, this promise is due to the consonance of networks as ‘pattern’ (involving the qualitative configuration of relationships of ideas) with conceptions of culture that emphasise process rather than structure. Our proposition, however, is that until now the context-specific, ideational elements of culture have been overlooked in industrial network analysis. We exemplify our arguments chiefly with reference to one school of network theory: the IMP Group. Despite the considerable contribution of IMP scholars to the literature, we show that a degree of analytical reductionism has resulted from the dominant modernist, logocentric view of networks found in the management science literature. As such, we propose that integrating the study of networks with ‘culture as process’ (rather than merely as a structural variable) has considerable potential. The paper concludes by outlining the research implications of our interpretivist research agenda. This contains a plea for greater linguistic sensitivity and the adoption of a social constructionist conceptualisation of culture in the study of industrial networks. In order to address this agenda, discourse analysis is put forward as a methodological approach that might be considered by IMP researchers.

Keywords: Industrial Networks; culture; interpretivist approach.

1. Introduction: Culture And Networks

Research into culture is important when considering international business networks (Axelsson and Johanson, 1992; Törnroos and Möller, 1993). Yet, despite the contribution made by scholars to date, we argue that within the theoretical modeling of industrial networks, our understanding of culture and its consequences for (and social construction by) network actors is still inadequate. If culture is to be taken seriously, then we are proposing that it needs to be re-conceptualised. Culture should be considered as the lens through which ‘networks of ideas’ (as opposed to networks per se) are researched. Such an approach requires us to adopt an interpretivist ‘network epistemology’ and ontology through which an individual’s networks of ideas/symbols can be explored.

Based on the influential work of the physicist, philosopher and systems theorist Fritjof Capra, our conception of culture is that of an emergent property of human systems (Capra, 1996; 2000).
Culture is continuously changing, every time we interact, allowing society to evolve or grow. Network actors identify themselves by the use of symbols, knowledge, information and communication or ‘discourse’, all of which are embedded and interpreted within their cultural ideas. Culture, therefore, is suitably conceived of as a network of ideas and symbols formed through language. Understanding these networks of ideas requires emphasis upon the pattern (or form) of their organisation, which involves the qualitative configuration of the relationships between them.

Ideas exist within multiple networks and multiple layers, making the interpretation of patterns bounded in our own cultural biases. Research considering such patterns is, however, still sparse. ‘Emic’ researchers often grapple with the different networks/layers on which to conduct their studies, thereby highlighting the complexity that cultural research entails (Fang and Kriz, 2000). Relational patterns are non-material and non-physical processes, and therefore not appropriate for structural analysis (Lowe et al, 2004) but more suited to interpretive research techniques that allow for individual perceptions to be analysed. The behavioural outcomes of the processes can be observed, with methods such as participant observation generating a deeper understanding of patterns as they occur (Anderson and Jack, 2002).

This paper suggests how marketing research, and in particular that conducted within the IMP group, can begin to extend existing network studies to take cultural research more seriously. To support our arguments, we will elaborate on how knowledge generation affects our approach to research, the implications of this for theoretical development within the IMP group, and how a reflexive awareness of these issues can be used within an ongoing research agenda on culture. We will conclude with a discussion of some of the methodological consequences of adopting a more linguistically sensitive approach to the study of culture within industrial networks, focusing on the potential merits of discourse analysis.

2. Knowledge And Theory Generation

Within Western thought, ‘knowledge’ precedes ‘doing’ and requires actors to gain understanding through written/verbal communication (Chia, 2003). Implications for theory generation are such that researchers typically develop causal hypotheses prior to conducting their research. Knowledge and theory are generated from existing knowledge found within the literature and results from previous researchers. Thus, certainty and confirmation are important components of the research agenda. Everything within this ‘epistemological culture’ is affected (or infected) by the pursuit of certainty resulting in frantic avoidance of indeterminacy or complexity. Simplicity is the rule of the day, bringing knowledge down to a number of tested hypotheses. The only things worth knowing are those articulated and explained within theories, measurable using ‘tried and tested’ or ‘rigorous’ methodologies and suitably certain to warrant the ultimate legitimacy of results being ‘significant’ and universally ‘generalisable’.

Research is expected to be ‘objective’ with the researcher standing back from the research stage and developing their picture of reality. ‘God-like’ knowing from above (the outside) generates certainty, while the parochialism of the actor (on the inside) is considered to be too subjective, local and insufficiently rationally intelligent to warrant credible explanation. Such an approach to knowledge generation has seen research techniques such as action research being “criticised as non-rigorous and unscientific” (Little and Motion 2004, p. 2). Yet, action research allows for knowledge generation to occur through the investigation of problems by ‘doing’, in other words an inter-
active process where knowledge is generated through the reflective discussion with network participants on the outcomes of each action and feeding back into new actions.

Reflecting this participatory stance, knowledge generation within Eastern cultures is acquired principally through practice or doing (Chia, 2003), with research more suited to complex problems where indeterminacy is common. Such a mind-set can be seen in descriptions of Chinese business practices as complex and irrational, where logical approaches do not achieve consistent understanding (Fang and Kriz, 2000). Consequently, there is little emphasis given to previous problem investigations as these problems occur in different contexts and require different considerations to be included in the ‘problem-solving kit’. In this way similar research questions placed in different contexts may be approached with completely different solutions, and with any knowledge that is generated not necessarily assumed to be generalisable between contexts.

We may thus see how an unfortunate Western compulsion towards certainty, theorizing and explaining causalities through logocentric language ends up with epistemological productions or artefacts of the dominant culture of epistemology. The method determines the reality, and understanding is confined to understanding entirely on the abstract terms of the ‘understannder’ rather than from the viewpoint of those being understood. To misunderstand culture has its own cultural inheritance.

**Network Thinking**

Different approaches have resulted in a debate over ‘etic’ or ‘emic’ approaches to research. In the study of culture the problem (within scientism) of needing to know how to explain and compare ‘rationally’ from the outside using etic models frustrates a more vital emic and local understanding from the inside. In industrial networks, tacit understanding and social capital are the currencies that ensure that knowing is about being and doing the ‘right’ things rather than being able to theorise about what the right thing might be. Knowledge generation is developed through acting within the network and the culture in which it is embedded. In what is now commonly characterised as a globalised economy, business networks may in fact contain a number of different cultural patterns so that understanding can only really be developed by participating in the network. The only actors that understand how the network operates are those who are actively participating in it. Whether they are managerial or academic, actors ‘looking in’ from the outside will not understand the implications of certain behavioural patterns and can easily mis-interpret the consequences of actions.

Developing knowledge is thus best achieved through taking the participants’ view of how network patterns emerge. The predominant paradigm in management research towards theorizing and explaining causalities through an etic language does not fully reflect how the actors imagine the network. This can create misunderstandings and, in a worse case scenario, mean that studies miss important concepts entirely. Such a requirement on knowledge generation through doing is particularly important when it comes to understanding the nuances of culture and subsequent cultural research. When dealing with concepts made up of ideas and imagination it is necessary for researchers to analyse participants’ interpretations of the networks in which they are embedded.

Culture and networks are coalescent constructs. They both concern non-physical organization, thereby making them unsuitable for measurement purposes as their foundations are based on the perception of the individual rather than a generalised structure. Network thinking, or vernetztes Denken, recognises that reality and our de-
criptions of it exist as a network of relationships. So-called 'objective' understanding is, therefore, a fallacy because we cannot abstractly separate from this reality and our description of it because we are a part of it and it is a part of us. Subjective understanding based on individual cultural interpretation is therefore an important aspect of network theory (Ford and Håkansson, 2006). We argue that researching culture requires a network approach and, visa versa, that researching networks requires the researcher to include the network of ideas and symbols which is the foundation of culture.

3. A Cultural Critique Of Network Theory

We have explained how interpretation of network cultures can perhaps only really be achieved on the individual level by the actors who are actively participating in the network. Yet many researchers still follow a positivist path when analysing networks and culture. Such a path does not recognise the importance of an individual’s perspective but rather prefers to develop simplified, generalised, law-like models as a way of explanation, thus avoiding the complexity of network thinking and the issues involved in developing knowledge on abstract and non-rational ideas. An example of this is social network analysis which principally focuses on the structure of the network, ignoring the processes that determine such structures. Network position is often ‘measured’ by how many connections an actor has within the network relative to other actors (Wasserman and Faust, 1994), thus reducing complex connections, interpreted differently by individual actors, to a number. Although more topographical measures of centrality have been developed, they have tended to simplify complex relations rather than grasp the complexity of the processes involved in their interactions. Thus, social network analysis has tended to ignore the processual aspects of systems as outlined by Capra (1996). Simplifying network analysis in an attempt to see if structure explains network theory has resulted in inadequate understanding of the cultural ideas and symbols that determine the network.

The managerial approach to cultural research has taken a different perspective in that values are considered the core of all research, but this simplifies social order through apparently objective analysis of these values. Consequently, values become measurable variables that are brought into the research agenda as required. A typical example is Hofstede’s (1980) cultural dimensions that are measured from an ‘objective’ view and incorporated into marketing models as a mediating or moderating variable rather than considering the network of ideas that individual actors bring to the situations being researched.

For instance, a managerialist slant is commonly taken on issues of cultural differences that can have a negative impact on the atmosphere (Håkansson, 1982) of international marketing relationships. In order to analyse these issues, the most commonly used measures of difference between national cultures are ‘psychic’ and ‘cultural distance’ (Bridgewater and Egan, 2002). Both these constructs are problematic, however. The most important feature of the concept of psychic distance is that it is a perception, yet it is measured using macro-economic and other published data, which uses the country as the unit of analysis. The assumption that individuals perceive similar levels of psychic distance is an oversimplification (Langhoff, 1997). Measures of cultural distance, typically based on Hofstede’s classification of cultures (1980) may be similarly criticised. Hofstede assumes that national cultures remain stable over long periods of time, but historic data may no longer be able to give us any contemporary insights (Cray and Mallory, 1998). Again, the data is at the national
level, yet concepts of one cohesive national culture are misleading (Fletcher and Fang, 2004). Hofstede (1980) conceptualises national culture as core, systematically causal and territorially unique. His independent dimensions of culture fail to accommodate the ambivalence and co-existence of the polar dimensions. Ultimately, as Langhoff argues:

“The significance of culture on human life cannot be explained and understood by reducing cultural studies to [Hofstedes's] variables. Common to all cultures, however, is the assignment of meaning... Human beings use and need culture to organise a coherent meaning of the world around themselves and they do so by developing and applying symbols” (1997, p. 146, emphasis added).

Once again, therefore, we see the importance in the study of industrial networks of an epistemology that seeks to interpret locally occurring interpretations rather than produce law-like models that ignore the complexity of the business environment and the context in which decisions are made.

3.1 Culture Within IMP Studies

Although members of the IMP group have attempted to gather data from the individual actor’s perspective, they have yet to incorporate culture as the basis of network research. Culture has tended to be sidelined or added on as another variable within their models. Yet the group recognises the subjective nature of business relationships and the tacit nature of knowledge within and about networks (Axelsson, 1993). What appears to be lacking is a concerted agenda to do anything about exploring culture and meanings. Despite the significance of linguistic constructions being acknowledged in the literature (e.g. Easton and Araujo, 1993; Turnbull et al, 1996), the exploration of culture as a social construction has rarely been acted upon in IMP research (exceptions include Faria and Wensley, 2002; Hopkins, 2003). In general, meaning has been down-played by IMP scholars (Hellgren et al, 1993; Welch and Wilkinson, 2002) and there appears to be a reticence to adopt the network thinking required to take culture seriously. Instead, what we find in the industrial network literature are approaches where culture is ignored or marginalised, mistaken, or inappropriately accommodated/conflated. Some examples and a brief discussion of the limitations of each of these approaches now follow.

The issue of culture can effectively be ignored even when research into relationships considers contexts where culture is a key component. Relationships are cultural: interacting with people is embedded in cultural assumptions concerning human nature. Our interpretation of human behaviour is seen through the lens of our cultural upbringing. Yet, Håkansson and Snehota (1995) have explored developing relationships within networks without any direct reference to culture. Even when the cultural nature of the interaction has involved idea generation, learning, trust and the social construction of individual identities (Håkansson and Snehota, 1995, p. 202), culture has been ignored. The marginalisation of culture by these leading scholars is strange, given their earlier assertion that the pattern of activities in an interactive, relational context is guided by values and norms of behaviour, rather than by logical and rational planning (1995, p. 536). Surely, we would argue, such values and norms are subjected to cultural interpretation and meaning?

Mistaking culture usually involves applying scientific rationalist reductionism to the complex phenomenon of culture, illustrated by the use of Hofstede’s dimensions of national culture (e.g. Battaglia et al, 2004). Given that relationships are embedded within the cultural network in which we operate, concepts such as trust are inter-
interpreted through our cultural values. Within marketing research, however, trust is often taken as a component of the transaction rather than as the emotional and rational thought processes of individuals. Trust is commonly conceptualised as a single variable (e.g., Morgan and Hunt, 1994), yet trust is a complex idea involving the perceptions of the individual actor and includes many different aspects including the context in which individuals find themselves.

Perhaps we should embrace a conceptualisation of culture as a domain of ideas co-evolving with a parallel domain of interests? The central problem facing such an approach, however, is ‘Nadel’s Paradox’. This concerns the dilemma of accommodating the dual domains of ‘interests’ and ‘ideas’ within analysis of relationships. The former appears compatible with quantitative, logically empirical analysis of the structure of relationships but the latter appears more compatible with qualitative analysis sensitive to the subjective interpretations of cultural actors. The paradox is that progress towards better explanation and understanding relies upon the simultaneous application of two apparently incommensurable approaches (DiMaggio, 1992). But how might this be achieved?

3.2 The Promise of Ideational Logics

Welch and Wilkinson (2002) fall into the trap of Nadel’s Paradox with their conceptualisation of ideational logics within the ARA model. In seeking to explain how systems of ideas shape and are shaped by human interaction they take an important step towards incorporating the cultural tenets of learning symbolically, and the development of ideas, truth and ideologies through language and communication. They posit that a focus on ‘ideas’ (e.g., meanings, knowledge systems, scripts) can contribute to our understanding of network development. As they put it, “ideas encompass the perceptions individuals and organisations have about self and others, their beliefs or ‘theories’ about how the world functions, norms about appropriate behaviour, attitudes towards particular issues as well as values concerning what is desirable” (2002, p. 29). An approach to the study of networks with such a focus would appear to offer a valuable extension to the ARA model.

However, we argue that the focus of Welch and Wilkinson (2002) on ideas and meanings within knowledge systems may succeed in description but fails to develop and understand culture within network theory. Because these ideational phenomena are forced into the same instrumental domain as interests, ideas are treated as ‘real’ cultural artefacts or elements, rather than as nominal processes of human imagination. In treating culture within the same domain as interests of activity links, resource ties and actor bonds, this approach exacerbates the confounding of ideational with other, separate dimensions concerning interests. As a result, the approach of Welch and Wilkinson contributes considerably to helping to identify cultural patterns by the outside observer but cannot focus upon the experience of the cultural participant. Such an emic understanding requires separate treatment of ideas from interests and the adoption of interpretivist epistemologies and methods. It demands a parallel but separate journey into the Geisteswissenschaften or ‘cultural sciences’. This is a journey we shall undertake in the company of Fritjof Capra.

4. Imagining Networks: The Ideas Of Fritjof Capra

Capra’s (1996) central thesis requires us to revisit the lamentations of DiMaggio (1992), Emirbayer and Goodwin (1994), and Gómez Arias and Acebrón (2001) as to the limitations of network analysis. Culture as systems of meaning and ideas has been ignored
generally in network analysis, which has adopted an emphasis upon objective measures of relational structures (DiMaggio, 1992). Emirbayer and Goodwin maintain that network analysis “either neglects or inadequately conceptualises the crucial dimension of subjective meaning and motivation” and propose “an adequate approach to historical explanation must encompass both social structural and cultural perspectives on social action” (1994, p. 1413). They conclude:

“Network analysis as it has been developed to date has inadequately theorized the causal role of ideals, beliefs and values, and of the actors that strive to realize them; as a result, it has neglected the cultural and symbolic moment in the very determination of social action. Network analysis gains its purchase upon social structures only at the considerable cost of losing its conceptual grasp upon culture, agency, and process” (1994, p. 1446, emphasis added).

The preoccupation with structural ‘patterning’ within most network analysis means that any understanding of the role of perceptions and attitudes in networks is as a consequence of the structure of relations amongst actors and their individual positional location within the network structure. There is no equality of focus between structural pattern and ideational process here. Process is assumed to be determined by structure and there is no sense in which the mutuality of pattern, process and structure, as required by Capra’s (1996) hypothesis, is accommodated.

Researching relational processes requires the concept of culture to be seen as the foundation upon which individuals interpret these processes. This foundation is the networks of ideas and meanings which influence an individuals’ decision making process, thus determining their interests and consequential economic actions. An ideational cultural perspective also facilitates the exploration of how networks of ideas are connected across many individuals; and of how relational processes are connected. Within social reality such ‘hidden’ connections are cultural and thus require the integration of meaning and, particularly the role of language and communication in their construction. Meaning is constructed within the values and beliefs that reflect different interests and as such is a political process that involves power and control. Capra (2000) posits that the ‘hermeneutic’ dimension is critical in order to understand social reality by allowing us to reflect upon these processes. As a result, culture becomes an essential component of our attempts to make sense of this reality since, for Capra, “Culture is created and sustained by a network (form) of communications (process), in which meaning is generated. The culture’s embodiments (matter) include artifacts and written texts, through which meaning is passed on from generation to generation” (2000, p. 64, emphases in original).

An integrative understanding of socially networked reality that excludes hermeneutics is accordingly incoherent. Integrative theories that incorporate cultural analysis are crucial, yet largely missing from industrial network studies. Culture must therefore be taken more seriously than in the past and liberated from myopic, linear, structuralist analysis. It is necessary to regard culture as non-linear, complex and “...created by a social network involving multiple feedback loops through which values, beliefs and rules of conduct are continually communicated, modified and sustained. It emerges from a network of communications among individuals; and as it emerges, it produces constraints on their actions. In other words the social structures or rules of behaviour that constrain the actions of individuals are produced and continually reinforced by their own network of communication” (Capra, 2000, p. 75).

Within network analysis, taking culture as a networked hermeneutic
dimension and as ‘hidden’ phenomena cannot be accommodated solely by its prevailing treatment as somehow measurable and capable of being analysed by variance modelling, regression analysis, factor analysis or law-like theorising. Such approaches should be complemented by an analysis of the role of language in the creation of shared beliefs across networks. Thus, after a brief discussion of the tangible elements of industrial networks, the next part of our paper will outline a research agenda on how researchers can visualise ideational networks.

4.1 Issues of Tangibility

It is important to acknowledge that within IMP research, technological and other material artifacts are also viewed as forming relational patterns. Indeed, as Håkansson and Prenkert (2004, p. 89) point out, power in networks largely stems from two sources: first those “social arguments” based upon trustworthiness (or a capital of trust); and second, resource access or “technical arguments”. Moreover, the situation is complicated by the realization that the features of a technical resource are created in interaction with the context in which it is embedded (Håkansson and Waluszewski, 2002), meaning that resources gain their economic value from their relations with other resources. In this ‘resource interaction’ perspective, value thus emerges from a complex web of resource interfaces that possess both technical and social dimensions. These mixed interfaces also suggest a political dimension, highlighting the different interests of actors in relation to the processes involved in value creation within industrial networks (Baraldi and Strömsten, 2006). These dimensions emphasize a need to analyse the social and material conditions within which industrial networks are organized, as well as the linkages between economic production and social and cultural elements of life (Shrivastava, 1986).

It would therefore be wrong to ignore the structural aspects of Capra’s conceptualization; a dimension where culture is manifested in material, tangible embodiments. We argue, however, that the tangible is already over-scrutinized by scientism. As Schumacher (1977, p.64) puts it, “the quantitative factor is of preponderant weight only at the lowest level of Being”, cultivating a ‘science of manipulation’ whose misplaced purpose becomes power over nature and Man. Unfortunately, the tangible is often all that scientism sees. We propose the use of different ‘lenses’ that add the capability of accessing the intangible (living, invisible, hidden) connections of networks. We thus suggest a complimentary ‘binocular’ viewing that allows a ‘seeing’ that provides potential liberation from the dictatorship of technology and facilitates a privileging of human over machine priorities. Furthermore, and perhaps most importantly, there is no such thing as an objective view of an artifact (or resource) when the intangible is brought into view through the lens of language. Seen through such a lens, all artifacts have attached meanings and are symbols of one kind or another.

4.2 From Fritjof to Frank Capra?

We advocate the adoption of more interpretivist approaches to the study of industrial networks. In doing so, we align ourselves with the seminal definition of culture offered by Geertz:

“Believing with Max Weber, that man is an animal suspended in webs of significance he himself has spun, I take culture to be those webs, and the analysis of it to be therefore not an experimental science in search of law but an interpretive one in search of meaning” (1973, p.

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1 This playful extension is in keeping with the tentative ‘making pictures’ metaphor that we expound in this section: Frank Capra was the Hollywood director responsible for such celebrated movies as It Happened One Night (1934), Mr Smith Goes to Washington (1939) and It’s a Wonderful Life (1947).
In other words, individuals' webs need to be investigated through interpretive approaches in order to try and understand the meanings behind these 'webs'. Within the industrial networks approach we argue that researchers need to consider relational processes and how the interaction of individual webs develop into the meanings behind those processes.

Social reality within the interpretivist paradigm is regarded as a network of assumptions and intersubjectively shared meanings (Burrell and Morgan, 1979). This stimulates a research agenda exploring organization "as subjective experience and to investigate the patterns that make organized action possible" (Smircich, 1983, p. 348). Returning to Capra (1996), we can see the patterns, processes and structure formulations that emerge from such an agenda. Patterns are the webs of ideas and symbols that individuals bring to the relational process to develop structure. Within the interpretivist paradigm, culture is the root metaphor on which the interaction process develops meaning. Culture can no longer therefore be considered just a variable, but as a foundation upon which relational processes are researched. In other words, we see networks, culture and organization as concomitants of human imagination and not as concrete realities. Put another way, metaphorically speaking, culture is more like 'cinematography' than 'photography'. It is about making pictures, not taking pictures. It involves making pictures in our mind/imagination in an attempt to interpret others' actions and behave in an appropriate manner.

Several metaphorical approaches have adopted conceptions of networks and/or culture within the interpretivist social science paradigm. These include the organisational culture metaphor, the 'self-organised' neural network, the political systems metaphor, and the complexity and dialectic metaphors within contemporary systems theory (Morgan, 1997). All of these approaches perceive a network as an organised entity where everything is connected to everything else through process. Network forms are not an intrinsic element of any of the parts in isolation and cannot be understood through mechanistic analysis of the parts (relationships or actors). Investigating relationships through quantitative modelling is thus not going to present an image of how the network form evolved or is perceived by the individual. Instead, it will give a photograph of a network component in that particular time frame.

Developing an understanding of network processes requires a process epistemology that assumes our knowledge is also a patterned system of concepts (individual webs) and models without foundation. Therefore, all knowledge generation is approximate and based on our cultural interpretation: this has been termed an 'epistemic consciousness' (Capra, 1996). It requires a realisation that picture-making is more important than picture-taking in knowledge development. Take, for example, living systems metaphors. Such cognitive or 'conscious' systems theories have culture as an emergent property where culture is organization and organization is cognition or 'mind'. The focus is upon networks as the principal organizational metaphor, which is consistent with the networked nature of the Chinese business sphere (Lowe, 1998). Yet how can we make a movie of networks and their evolution that comes from within our imagination?

The IMP group has begun down this path with its consideration of 'network pictures' (Ford and Redwood, 2005; Henneberg et al, 2006). Using a non-traditional methodology researchers have attempted to study individual managers' pictures or perceptions of their networks. Such perceptions relate only to the individual and are likely to be unique, as each actor's perspective will be different. Considering and accepting such diversity is a key step toward investigating the mental maps of
different actors. Taking this research a step further, we suggest that rather than developing a literal picture of the network, researchers should attempt to develop a mental map of each participant’s network of ideas. In other words, we need to adopt methodologies that allow us to ask how actors make their network pictures.

5. Methodological Paradigms

In selecting methodology, the researcher is faced with an array of choices, all premised by underlying assumptions. For example, ideas and interests, as per Nadel’s Paradox, suggest different ontological assumptions and thus different approaches. Research into culture also entails researchers using different methodologies based on differing epistemological and methodological assumptions. Cultural research will therefore require a ‘paradigm crossing’ approach (Schultz and Hatch, 1996). Paradigm crossing involves recognising and engaging multiple paradigms requiring the cognitive flexibility to accept the coexistence of multiple truths. It involves the expectation of benefits of mutual insight arising from the synthesis of apparent opposites. Paradigm crossing techniques include ‘sequential’ crossing approaches (Schultz and Hatch, 1996, p. 533). Sequential crossing involves exploring the complementarities between paradigms by revealing sequential levels of understanding through one method informing on, or providing inputs, for another from a different paradigm. In other words, it requires a kind of ‘double-think’ enabling the application of apparently incommensurate paradigms in order to resolve Nadel’s Paradox. An advantage of paradigm crossing is to release methodological choices and to expose the assumptions underlying them. In doing so, researchers are freed to develop their interests and recognise their limitations and motives (Lowe et al, 2004).

In terms of the IMP Group, paradigm crossing reconciles the study of structural aspects (quantitative, relational structure) of networks with action (qualitative, cultural aspects) to explain relational processes. Both approaches should be viewed as equally important and used alongside each other within the research community. To further explore culture within an IMP agenda we are proposing to ‘even up the odds’ by suggesting that more emphasis needs to be placed on researching relational processes from an action perspective. One approach which seems to be suitable for this cultural research agenda is discourse analysis.

5.1 Discourse Analysis

The legitimacy of discourse analysis has been hindered by the deeply rooted cultural preference for action over ‘mere’ talk. In fact, discourse plays an active role in the routine social accomplishment of ‘organization’ (Grant, Keenoy and Oswick, 1998). This is not to say that ‘talk’ is all that there is. Rather, we can view the discursive as one kind of mechanism working in combination with other network mechanisms (e.g. economic, material) to constitute social practice. Each mechanism has its own ‘logic’ and should be analysed in its own terms using appropriate analytical tools (Phillips and Jørgensen, 2002). In terms of managerial practice, strategic decision-making must be (re)communicated, via speech and written texts, until it becomes embodied in action. Hendry (2000) thus argues that discourse can provide the researcher with evidence of actions, intentions and interpretations. The distinction between ‘talk’ and ‘action’ must, however, not be forgotten. Brunsson (2002) identifies two different systems in organizations: one of ‘ideas’ which defines what is handled in communicative processes; and one of ‘action’ which defines what is handled in material processes. Although some organizational talk co-ordinates
action and leads to tangible products, in many firms decisions and actions are not necessarily connected in this way. We may often find inconsistencies between them, inconsistencies which Brunsson (2002) characterizes as ‘organizational hypocrisy’. Decisions may also be inconsistent with the talk that members of an organization direct at its ‘environment’, making it important for the researcher to unpick this (often necessarily) ‘hypocritical’ talk in a suitably sensitive manner. So how can discourse analysis help in this regard?

Discourse analysis can be considered as a philosophy as much as a method. The discursive practices of social actors involve the contest of establishing which truth, from the many truths available, is established as most legitimate, valid and credible. Discourse analysis, therefore, focuses on how ideas or truths are socially constructed or ‘made’ rather than ‘found’ by human beings. Within the “hermeneutical tradition” (Gómez Arias and Acebrón, 2001, p. 15) of discourse analysis, the ‘archaeology of knowledge’ emphasises the liberation of local truths, meanings and voices denigrated by dominant, globalising, modernist ‘metanarratives’. Crucially, discourse analysis recognises that human knowledge is subjective and a product of human imagination. Human imagination is where our cultural development nurtures our web of ideas and symbols that influences our interpretation of other communication, thus affecting how we develop our relationships. Since we are proposing that relational processes become a key unit of analysis for network studies, then developing further knowledge on communication processes is vital.

Language within discourse analysis is generally accepted to be the principal medium through which subjective understanding of the world is mediated. Language is not seen by discursively-minded researchers as merely representational but as constructive or performative too (Mattsson, 2005). Phillips and Hardy (1997) delineate three interrelated and “mutually implicated” (Oswick et al, 2000, p. 1118) discursive entities that facilitate this mediation: discursive concepts, discursive objects and discursive subjects. Concepts are theories, ideologies and notions created through language that frame our understanding of identity and relationships. Concepts occupy the realm of ideas and closely resemble the notion of schemas. A ‘network’ is itself a discursive concept in that it is an alternative organisational notion to the concepts of ‘market’ or ‘hierarchy’. Objects occupy the practical realm and can exist in the material world as well as the ideational domain. Within networks are ‘actors’ who are tangible beings who are discursive objects also carrying images of identity. Finally, discursive subjects are practices, structures, social responses and policies generated through discourse. Within industrial networks, ‘trust’, ‘exchange’ and other relational processes would be examples of discursive subjects.

5.2 Using a Discourse Analytic Approach

The advantage of this approach is to be able identify many of the phenomena examined by network analysis as discursive and, therefore, consequences of forms of information, knowledge and communication. Networks, relationships, trust and, to a large degree, actors are all products of human imagination. This understanding can be employed in two ways in advancing network theory. First it can be used to establish ‘networks’ as a discursive concept and, therefore, as a ‘contested space’ within the various schools of network theory (Araujo and Easton, 1996). This should encourage us research the human imagination, allowing culture to become a vital component in the investigation of relational processes.

Second, it can be employed in field research to liberate our understanding of the non-rational, expressive
and subjective ways in which networks are imagined by their participants. Emphasis is placed on local narratives, the particularistic and pluralistic, socially constructed worlds of the network participant. This, in turn, requires the realisation that “it is not possible for the researcher to place himself outside of reality and look at it like an external God” (Gómez Arias and Acebrón 2001, p. 14). The researcher shares the imagined reality with the researched. This requires researchers becoming conscious of their own imagination prior to conducting fieldwork. Exposing different (local) voices and highlighting diversity of thought assist a richer understanding of how relational processes are perceived by individuals. Rather than aiming for generalised models to explain relational processes, the researcher needs to be comfortable delving into the complexity and diversity of the human imagination.

6. Consequences For The Study Of Networks

With its positioning of industrial network studies as “halfway between economics and sociology” (Easton and Araujo, 1994, p. 82), the IMP group is better placed than most other schools of network theory to accommodate an approach that does not denigrate the importance of culture as the ‘social mind’ or cognitive process. In this way, it can address concerns that the tools of network analysis may gain a purchase on social structure but “fail ultimately to make sense of the mechanisms through which these relationships are reproduced or reconfigured over time” (Emirbayer and Goodwin, 1994, p. 1447). From Capra’s (1996) viewpoint, the key to theoretical development is to understand that relational structures are a reification of a nominal pattern invented through a cultural or cognitive process. To understand such complexity requires acceptance that there is no one best way and no single approach capable of discovery of an unequivocal and eternal truth. Researchers need to embrace the diversity of approaches and interpretations that emerge, at the same time as following the path of their own research agenda.

If the unit of analysis becomes the relational process through which interactions develop and culture is embedded, then the focus is now on how our network ideas interact between each other. Relational processes also incorporate the context and learning environment through which human interaction occurs. An individual’s perceptions that visualise their network of ideas are an important foundation for understanding how relational processes are interpreted and emerge. Such visualisations are the outcome of conversations that construct the individual’s identity, meaning and knowledge (Deetz, 1992). The communication process itself is an important aspect in developing an understanding of our ideational networks. Culture and communication are not separable (Vickers 1984); the form of language and symbols which we use to communicate are developed in the cultural environment in which we live. Researchers must acknowledge these discursive linkages if they are to make sense of business networks.

6.1 Epistemological and Ontological Consequences

Capra (1996) advocates that knowledge and knowledge generation is affected by our own images, thus reality is our perception of it and there is no scientific certainty in the pursuit of knowledge. Such an understanding of knowledge generation requires researchers to understand and recognise their own images. This is not to say that business actors and their networks are figments of our imagination, but rather our identification of them is subjectively developed based on our own thought processes. For instance, the concept of ‘network position’ puts an organisation in relation to other actors in a network
context, according to the perceptions of participants. It is also thought to form a framework for actions (Johanson and Mattsson, 1992). This idea is concordant with the highly contextual notion of ‘network pictures’ which can function as individual “actor’s ‘network theories’” (Hakansson and Johanson, 1993, p. 42). These images contribute to the process of organisations’ identity construction and can shape actors’ future agency. Strategic choices are dependent on how emerging situations are framed and made sense of (Håkansson and Snehota, 2000). In dealing with these sense-making issues, we suggest that for IMP researchers, and indeed marketing researchers in general, a new approach to cultural research be adopted. Instead of the unit of analysis being the ‘relationship’, as outlined by Anderson et al (1994), we propose the unit of analysis to be ‘relational processes’. The ‘relationship’ has been the unit of analysis for much research into the IMP domain and has focused researchers into developing approaches which have exasperated the three issues highlighted above (i.e. marginalising, mistaking, or inappropriately accommodating culture).

In undertaking empirical studies, the interaction process itself from which we draw participants’ knowledge is conducted within the cultural boundaries from which both parties (manager and researcher) are drawn. Therefore, knowledge development (or sense-making) about the relational process is affected by the communication styles and cultures that we as researchers bring to the table. Our ideas and interpretation influence the way knowledge is developed. It is thus crucial to acknowledge how our own cultural network processes are related to the analysis of the business networks studied. This means remaining ‘epistemically reflexive’ (Johnson and Duberley, 2000, p. 178) in order that research outcomes are related to the “knowledge-restraining and -constituting impact of the researcher’s own beliefs which derive from their own socio-historical location”.

For instance, the authors of this paper have cultural backgrounds that differ, enabling us to bring a variety of conceptual ‘lenses’ to our view of networks: in broad terms, the three of us represent a small network comprising a UK-based ‘Western’ academic, an Antipodean ‘Western’ academic and a further UK-based academic with close personal connections to ‘Eastern’ cultures. Despite our mutual sensitization as scholars to the IMP oeuvre, we are likely therefore to have somewhat differing perspectives on what might constitute a ‘successful’ network relationship, both amongst ourselves and in relation to some of our intended international research participants. This behoves us to examine our own cultural categories, oppositions and metaphors as we offer our interpretations of network processes.

In coding linguistic data, for example, we will need to reflect upon how our theoretical understanding of industrial networks may affect (or even ‘infect’) what we present as the emic responses of managers. It will be important to identify ‘metaphors-in-use’ (Oswick and Grant, 1996) in managerial communication, before etically imposing our own. Moreover, the inter-textual nature of discourse is likely to be reflected in the fact that managerial participants will be all too aware of our academic credentials. They may thus present accounts which are subject to the ‘judgmental gaze’ of the marketing discipline, drawing upon theoretical managerialist concepts in their talk in order to legitimize ‘how things are’ (Alvesson and Skoldberg, 2000). A methodological approach which claims to take culture seriously must remain sensitive to such issues.

6.2 Methodological Consequences

There may well not be a single best methodology for industrial network studies. Nevertheless, not only are
some research questions more or less suited to certain methodological approaches, but a “dogmatic adherence to particular methodologies can impose serious limits on the types of questions which researchers can or will choose to apply themselves to” (Crane, 1999, p. 245). There is a significant need for researchers to develop a more pluralistic approach, and hence a better-informed understanding of this complex topic. Different approaches, however, are likely to bring different ideas and descriptions of network theory. Therefore, a universally true understanding of business networks is not likely to occur, but rather a mixed conglomeration of different actors’ perceptions of networks.

If this is the case, then what reassurance are we able to offer the struggling network researcher? Research without a ‘safety net’ boils down to four basic strategies; namely curiosity, courage, reflection and dialogue (Gummesson, 2001). It involves ‘postmodern’ approaches to marketing research that, for example, employ hermeneutical techniques emphasising four key concepts; namely socialisation, text, chorality and interpretation (Gómez Arias and Acebrón, 2001). It requires each of us to embark, like Gummesson, on a never-ending “journey through Methodologyland” (Gummesson 2001, p. 27) and a relentless questioning of mainstream choices of research approaches. As Kilduff and Tsai state:

“…the complexity of organisational systems inheres not in rationally-planned structures but in fluid participations and understandings between actors…(who) connect around tasks and within contexts that are rich with meaning. Research that captures the often-fleeting networks of meaning creation is likely to draw upon a variety of intellectual traditions” (2003, p. 131, emphasis added).

A research agenda incorporating relationships as a culture of collaboration involves a divergence from current approaches, but without completely disregarding them. Researchers should be encouraged to take into account many different methodological approaches, some of which will not necessarily provide simplified, law like models. In conceiving culture as a network of ideas, this requires a means of understanding how network participants describe (and potentially thereby prescribe or perform – Mattsson, 2005) their environment, their ‘self’ and others through imagination and symbolism. It requires recognition that reality and actors’ descriptions of it are themselves a network of relationships. For instance, we may observe patterns in linguistic dichotomies or opposites such as ‘us and them’, ‘in and out’ or ‘close or distant’. Such patterns can act in a hierarchical fashion to privilege a particular viewpoint of how a relationship or network should be. To help us understand these patterns, we recommend that the study of culture builds on the agenda of the IMP group by putting relational processes as the central construct, but that it also shifts towards understanding the nominal nature of ideational relationships.

6.3 ‘Doing’ Discourse Analysis

In order to analyse the multiple realities of social life we must reject a unitary concept of ‘culture’, and instead embrace notions of cultural repertoires (Long, 2001). A useful way of exploring these repertoires and how they interact situationally is discourse analysis. A key theme of discourse analysis is its focus on language as a constitutive feature of social interaction, and the reproduction of relations of power through everyday talk and other, typically written, texts. For Watson (1995, p. 814), discourses or repertoires

“function as menus of discursive resources which various social actors draw on in different ways at different times to achieve their particular pur-
pose – whether these be specific interest-based purposes or broader ones like that of making sense of what is happening in the organization or of what it is to ‘be a manager’

Actors achieve social positioning (both for themselves and for the organizations they represent) and identity formulation predominantly through language use. Networks become key elements in actors’ contestations and negotiations over meanings since they facilitate information gathering, opinion formation, legitimisation of one’s standpoint, resource mobilisation and their bridging of social space (Long, 2001).

For the network researcher, any method of data gathering is useful that can generate descriptive text that then lends itself to discourse analysis; analysis which attempts to reveal repertoires that account for and justify particular actions (Potter and Wetherell, 1987). In this way the discursive production of agency/activities plays a role in structuring the world of networks and establishes some of the network ‘facts’ into which managers act (e.g. Ellis and Hopkinson, 2004).

Most discursively-focused researchers aim to do more than identify what is of concern to network actors. This is because ‘while intersubjective discourse appears to create ‘reality’, it does not do so in a cultural, institutional, socio-economic or political vacuum’ (Keenoy et al, 1997, p. 154). An appreciation of context is thus crucial to conducting critical discourse analysis: the researcher needs to consider managerial texts within the opportunities and restraints afforded by the apparent economic and technological environment into which network participants are acting. Once again, however, such an approach is far from simple. It can be difficult to determine the dividing line between the discursive and the non-discursive. For example, should the economy be viewed as a non-discursive system obeying its own logic, or should it be seen as series of choices that social actors make on the basis of meaning-ascription, together making up something called ‘the economy’, and thus be taken as a discursive practice rather than any sort of material ‘reality’ (Phillips and Jørgensen, 2002)?

Thus, when managers use language in interviews or corporate literature to legitimate network others as, for instance, ‘untrustworthy partners’ with ‘adversarial cultures’, and themselves as (typically) ‘market orientated’ firms that adopt ‘relationship marketing strategies’ and ‘ethical supply chain practices’ in a ‘competitive global environment’, discourse analysis allows us to deconstruct the discursive entities (concepts, objects and subjects) inherent in such processual claims. In linking (linguistic) text and (social) context, it asks how and why these claims are attempted. This form of interpretive research is far from simple, especially at it attempts to ‘unpick’ the various repertoires or discourses ‘at work’ in managerial narratives. For example, consider how different managers representing the same organization can draw simultaneously upon repertoires of cooperation and independence to evoke relationship atmosphere. In such instances, sense is made through the juxtaposition of opposites. Speakers draw on these systems of opposites but they are not in control of them; rather, they have their own complex ‘cultural histories’, histories that discourse analysis attempts to expose. Capturing such tensions is of course beyond the remit of traditional survey methods and presents a considerable challenge even to those researchers conducting idiogetic case studies. Yet it is essential to do this if we are to make sense of the paradoxes inherent in relational processes (cf. Wilkinson and Young, 2002).

7 Conclusions

This paper has argued that network analysis, including some of the work of the IMP group, has been dominated by a modernist, realist paradigm
in trying to develop law like, simplified models of relationships, typically at the level of the organizational actor. This is not to assert that insufficient attention has been devoted to the role of individual managers, nor that managers have been ignored as informants: rather, we suggest that the importance of the linguistic production of meaning (Weick et al, 2005) has been largely neglected in network relationship studies. Such studies have tended to use literal interpretation of interview transcripts, treating them somewhat unreflexively as ‘reports’ as opposed to discursive constructions (e.g. Biemans, 1997; Hakansson et al, 1999; Ottesen et al, 2004). This approach to network language and patterns of communication is reflected in the ways that culture has tended to be inadequately conceptualised. To overcome this lack of a coherent cultural research agenda, we are proposing that a sequential ‘paradigm crossing’ be considered. Rather than concentrating on a dominant realist ontology and a small number of methods, researchers should pursue multiple approaches to developing knowledge. To overcome the dominance of the positivist paradigm, we are suggesting that other, more interpretive, approaches are considered.

Our proposition is that industrial network analysis should begin to take culture more seriously. We posit that traditional analyses of relational processes within a network can make a contribution to our understanding of networks, but recommend that this should act as a suitable starting point for a subsequent and complementary exploration of the social construction of relationships and networks using discourse analysis. Discourse analysis is forwarded as an additional approach to modelling because of its potential to provide a lens that focuses upon the imaginative, non-physical and locally understood nature of networks. The suggestion is that this simultaneous exploration of networks from different paradigmatic viewpoints provides a more balanced, ‘epistemic agenda’ that enables culture and meaning to be explored with more subtlety. Within the field of international marketing, this can enable us to move away from “the conceptual lacuna that is the essentialist notion of national culture” (McSweeney, 2002, p. 113).

In terms of networks, according to Nadel (1957) social structures are abstract representations of patterns of relationships between actors (cited by Kilduff and Tsai, 2003, p. 21). This leaves the more ideational (and non-essentialist) aspects of networks ripe for closer investigation. Using a non-traditional methodology can provide a way to see things that have been effectively obscured by the repeated application of traditional methods. This vision can be seen in the work of Henneberg et al (2006) as they study what are literally managers’ ‘network pictures’. In a similar manner, using discourse analysis may allow researchers to complement other bodies of knowledge by introducing new ideas and challenges from a (written or spoken) textual perspective. This approach can thus make an important contribution to increase plurality in research. For instance, Phillips and Hardy (2002) explain that their discursively-based work has shown not only the salience of relationships between collaborating organisations, but also the impact of the collaboration on other relations in the larger system (or sector, or field – Phillips and Hardy 2002, p. 59). A similar claim has been made by Ellis and Mayer (2001) who suggest a reciprocal interplay between actions and structures in an industrial network. They draw attention, inter alia, to the legitimising language found in managerial texts within their case study.

Ultimately, as Scott (2001, p. 917) has put it: “If structures exist it is because actors are constructing and reconstructing intentions and accounts, and thereby their own and the others’ identities.” To make sense of network participants’ subjective network theories
or pictures (Ford et al, 2005); and to understand how these theories can have a constructive or performative effect on inter-organizational relationships (Mattsson, 2005) is a significant challenge. It requires a subtle exploration of what managers claim to ‘do’ in their accounts as they attempt to ‘manage’ within networks. To facilitate such exploration, we propose that network researchers ‘approach the social phenomenon of ‘organization’ as a (discursive) process – organizing” (Keenoy and Oswick, 2003, p. 141). As such, discourse analysis holds great promise for re-interpreting industrial networks.

References


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