

## Toward a Critical Realist Management and Consulting Framework Based on CDF

Otto Laske 2021

While managers, consultants, and coaches pride themselves on not only reproducing but transforming organizations, the social-science foundations of what they do are presently hazardously slim and impoverished, if not entirely absent. In most cases, these agents conceive of their work as entirely independent of what social scientists, especially those following a Critical Realism approach, know about the social reality organizations are embedded in, and the dialectic between social structure and human agency that is at the center of organizational functioning.

For instance, a 'leader' may work hard in harnessing the potential and causal power of his or her team, but instead of being informed by social-science insight into how team members respond to pressures exerted on them by the social structures they (as well as s(he)) are always already embedded in, and about the internal conversations they lead among themselves for the sake of responding to those structures (see De Visch & Laske 2020), they forego any reference to such insight and instead rely on presently fashionable ideologies such as 'agility' or 'holocracy' that can count on only very weak acknowledgements, if any, from social scientists. The analytical narratives these ideologies are based on are largely **void of both sociological and adult-developmental understanding**.

How might this split between managerial thinking and the social sciences have occurred?

To this day, neither positivistic nor hermeneutic approaches (and the many existing mixtures that exist of them) have succeeded to get a true handle on the truth that social reality is both material and conceptual and thus includes agents' *interpretations* of it as co-defining components. They also fail to grasp the influence of culture that informs these interpretations whose components are used differently by different social groups depending on their vested interests. For this reason, approaches to social life such as put in place by Bhaskar's and Archer's work since 1980 have remained foreign to, or shunned by, them, although when adopted they could yield considerable benefits.

After all, social activity (such as leadership and consulting as well as management activities) presupposes existing social structures – put in place by those long dead -- to which social actors respond, just as the latter remain *irreal* without relating to the social structures they respond to. While a considerable amount of work in organizations is being bestowed on the *internal conversations* by which organization members dialogically respond to shifts in pre-existing social structures (i.e., consumer groups, talent pools, markets, etc.) and cultural structure (e.g., regulatory environments, theories, ideologies), their conversations are largely void of knowledge of social structures incessantly at play in real time for each of the participants.

When one thinks about the ultimate reason for these analytical voids in social actors' thinking and doing, the most relevant factor emerging is that of the empiricist methodology, whether individualistic or holistic, that they follow. Wherever perceptibility is featured as a main criterion for what is socially 'real', social actors are stifled in transcending the empirical experiences and actualities they are fixated on, because they are unable to 'see' the latter emerge from generative mechanisms that, even when causally present, may not be recognizable, not to speak of perceptible.

What seems to be the matter, then, are the positivistic or hermeneutic blinders that preclude social actors' grounding orientation in a *social ontology* to begin with, and a consequent privileging of human

experiences and conversations over insight into constraints and enablements implied by social structures. (Sociologists speak of ‘upward conflation’ of structure and agency). As a result, the crucial failure of organizational consulting and management consists in failing to do justice to the potential *complicity* that arises when an organization’s defining social structures are aligned with its social activities at every level of an organization.

As Archer says in *Realist Social Theory* (1995, 11-12):

*“Systemic properties are always the (‘macro’) context confronted by (‘micro’) social interaction, whilst social activities between people (‘micro’) represent the environment in which the (‘macro’) features of systems are either reproduced or transformed. ... (a matter of) how orderly or conflictual social relations (properties of people) mesh with congruent and incongruent systemic relations (properties of parts of society).”*

**It is this integration of social and system perspectives that is lacking in models of management theory and consulting practice, as well as in organizational business modeling itself.** These disciplines’ conflationist sociology – an intertwinement of empiricist ontology and methodology -- also accounts for the incessant, and often rapid, turn-around of ideologies in terms of which social reality is viewed by organization members. More specifically. It is ‘upward’ conflation (privileging of human agency), in contrast to ‘downward’ inflation (privileging social structure), that is the hallmark of present management and consulting. Their ‘neo-tayloristic’ approach is the opposite of orthodox tayloristic approaches spawned 125 years ago which relied on downward conflation, which imposed a social structure called “assembly line” on human agency, seen as an undefined mix of employees that has to be motivated to deliver work.) In contrast, neo-tayloristic approaches now emphasize social agents’ activity, thus human agency, thereby switching to upward conflationist thinking which just repeats the error of conflation, only in the opposite direction.

Conflationist thinking in management thinking, whether up- or downwards, is at its peak in business modeling, a domain in which working from a social ontology would seem to be more important than anywhere else in the organization since it is not only future-oriented (thus address the elaboration of social structures), but also needs to be aware of the generative mechanisms put in place by those long dead that overhangs modelers’ conceptions of social reality in the temporal present. This shows up in the reduction of social structures to a plethora of ‘irrealist’ logical models, whether underpinned statistically or not, that have colonized business modelers’ thinking.

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How in detail does the absence of a social ontology in business management and consulting show up?

It starts with the prevalent notion of having to set up and follow through “initiatives” and “projects”, a notion that is deeply wedded to the equally dubious notions of “decision making” and “entrepreneurship”, all of them over-stating human agency as if pre-existing social realities did not matter or were not worth investigating. The *instrumentalist* approach to social reality that results therefrom fails to take into account that social reality impinges on organizational projects precisely in the form of impediments to, or enablements of, details of project execution, nor does it consider the temporal delay between the time that social structures are encountered and the emergence of intended and unintended consequences of project realization thereafter. As well, the changes resulting from project execution over time within the structure of human resources (human agency), developmentally and otherwise, is ordinarily simply neglected.

This lack of a social-science foundation of management thinking is exacerbated the positivistic assumption that ‘data’ are a criterion of correctly discerning social or cultural ‘reality’ – i.e., give an accurate picture of the causal powers of presently actualized social structures. Equally misleading is the hermeneutic assumption that understanding the ‘meaning’ of organizational constellations – say in light of their degree of ‘agility’ – has anything socially significant to do with how such constellations function in real time within the open emerging system of society and social reality.

The lack of social-science foundations in conceiving of organizational work becomes most blatantly evident in business modelling where statistic and other models replace true knowledge of the social reality they are meant to make transparent for defining organizational transformations that are also socially and culturally significant. Despite the presence of sophisticated thinking at this level of business activity there is no guarantee that what is conceived of by modelers as either ‘reality’ or (required) ‘intervention/agency’ is in any way close to how generative mechanisms in detail determine the actualities modeling is fixated on, whether they consist of events, tendencies, entities, or other.

It is clear, then, that what is missing is better schooled social-science thinking as a basis of directing and carrying out organizational activities, from leadership to team work, from continuous-improvement activities to value-stream renegotiations, and across all networks of communication in organizations.

A good example of the *social irrealism* of present management and consulting practices is the absence of the critical realist notion of “emergent properties” of either social structure or agency. Such properties pre-exist organizational interventions of all conceivable kinds and unfold their impact across project design and execution, whose effects manifest through intended as well as unintended consequences. Essentially, this amounts to a neglect or denial of stratification, in the sense that through the acknowledgement of strata (of both social structure and human agency) one becomes able to account for the following three aspects of the **concept of emergence** (Archer, p. 14):

*Properties and (causal) powers of some strata are anterior to those of others precisely because the latter emerge from the former over time (i.e., developmentally), for emergence takes time since it derives from interaction and its consequences which necessarily occur in time.*

*Once emergence has taken place the power and properties defining and distinguishing strata have relative autonomy from one another.*

*Such autonomous properties exert independent causal influences in their own right and it is the identification of these causal powers at work which validates their existence, for they may indeed be non-observables.*

A pertinent example for the need to acknowledge strata (and thus emergent causality) in organizations – far beyond the static logical assumptions of ‘organizational levels’ or ‘levels of complexity’ – is the emergent (gradual) influence of formerly followed business models and, more generally, organizational practices, over presently endorsed ones on the side of social structure, as well as the subtle (non-observable) causal influence of adult development (decline or increase of people’s mental growth) on the side of agency.

These ‘emergent’ dimensions of organizational and societal reality are nowhere thematic in either management or consulting practice. This is so because of the preponderance of methodological conflationism in business thinking (whether upward, downward, or central) and taking emergence seriously simply do not chime. Especially ‘business models’ which are unaware of the *ontology of*

*practice* they presuppose make a joke of thinking based on mutually irreducible, time-ordered, emergent strata (and thus causal powers), and therefore tend to be highly ‘irrealist’. This, then, is the result of failing to see social structure and human agency “dialectically”, i.e., as separate as well as inseparable, as a theoretical and practical issue in both management theory and consulting.

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How can this situation be changed?

What practitioners need to acknowledge in both management theory and consulting practice are the following postulates, both of which defy conflation (Archer, 15):

- (1) (Social) structure necessarily pre-dates the action(s) leading to its reproduction or transformation.
- (2) Structural elaboration necessarily post-dates the action sequences which gave rise to it.

The first postulate says that there is no intervention that will not inevitably trigger constraints and enablements of pre-existing social structures so that the more consciously these are taken into account when formulating and executing organizational projects, the more realistic project designs are going to be. Acknowledgement of pre-existing social structures needs to be learned; it is not intuitive nor is it based on criteria of empirical perception either in the positivistic sense of data nor the hermeneutic sense of meanings.

The second postulate says that just as project designs are preceded by pre-existing social and cultural structures, the results of project execution occur within certain temporal delays following interventions, and thus can be said to ‘emerge’ rather simply ‘resulting’, whether intended or unintended. This postulate implies that the results of an intervention, even if seen as “organizationally productive”, may turn out to be “socially unproductive”, as in the case of they simply reproduce formerly existing social structures rather than transforming them in a socially and culturally productive way.

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Where do these ideas and principles come from historically?

Since 1975, simultaneous with the emergence of the developmental sciences in the U.S. A. that have clarified the structure of ‘internal conversations’ bridging structure and agency, a new approach to the social sciences critical of both positivism and hermeneutics has arisen in the U.K. under the name of *Critical Realism*.

Initiated by Bhaskar’s *The Possibility of Naturalism* (1979) and furthered by the unfolding of his work by sociologist Margaret Archer and others who have centrally addressed the structure/agency dialectic of organizational and societal transformation, new conceptions of how organizations function have arisen. However, these now nearly 50 years old insights have so far not penetrated to the actual marketplace where business models are designed, teams are formed, and leadership is exerted in the vortex of human agency spinning out of control (often through “complex thinking”) relative to the social structures whose complicity they need to be successful.

What is IDM doing for making these ideas and principles better known?

With this situation in view, in the fall of 2020, Otto Laske began to teach a first Social Ontology Practicum comprising a total of 30 hours in which a selected number of consultants, managers, and coaches learn how to conceive of themselves as social actors looking out, in their projects, not simply for “organizational” but for “social” transformation. Participants are taught to ask themselves, when initiating a new project, the following questions as an introduction to a careful reflection on their own intervention projects:

- A. What elaboration of antecedent social structures does my project intend, and how is my own agency and social identity impacted by its execution?
- B. What social (and cultural) conditioning presently stands against my project’s intentions and foci and thus accounts for the obstacles and enablements I am about to experience?
- C. What are the overriding general mechanisms behind the actualities I am mobilizing for detailing my project design – most of them put in place by “people long dead” -- and in how far are these actualities I am counting on based on mere experiences rather than an understanding of the causal powers that generate and sustain them?
- D. What social obstacles, once understood, am I prepared to deal with and how, and what social enablements (complicities of social reality) am I able and prepared to take advantage of?
- E. What contingencies and unintended consequences of executing my project may make the social interactions my project entails potentially ineffective, leading to ‘more of the same’ and ‘business as usual’?

To answer these questions, participants need to generate *analytical narratives* that both take the *presence of the past in the present* seriously and create an awareness of emergence as the principal medium of project execution. We propose that such a narrative cannot be merely logical but needs to be *dialectical* in the sense of using (if not mastering) epistemic thought forms (TFs) taught in the Practicum on the basis of DTF, the *Dialectical Thought Form Framework*.

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At the time of this posting, a second Practicum following the ideas above is in the works that benefits from the experiences made in the first one. So, stay tuned.