Organizational theorists are faced with a fundamental dilemma: whether to conceive of the social world as consisting in substances or in processes, in static ‘things’ or in dynamic, unfolding relations. They take as their point of departure the notion that it is static, preformed (Emirbayer, 1997) entities (structures, organizations, groups, individuals) that constitute the fundamental units of all inquiry without being modified internally by their interrelationships and dynamic processes. This theoretical stance has led large parts of the organizational community to study implicitly or explicitly organizational phenomena either from a micro or macro perspective without depicting organizational reality in dynamic, continuous and processual terms. Unfortunately, while there is an increasing interest in incorporating both micro and macro perspectives in the same theoretical formulation or research design, there are no systematic attempts underpinned by a coherent framework to synthesize micro and macro organizational processes. The thesis of the present book is that organizational phenomena ranging from the behaviors, thoughts and emotions of organization members to the collective actions of organizations occur at several levels of analysis which are in some way linked. It is our argument that micro and macro processes cannot be treated separately and then added up to understand behavior in, or behavior of organizations. We argue for a relational perspective to foster integration of micro and macro organizational perspectives and to provide a framework in which organizational phenomena could be studied in dynamic and processual terms.

Entrepreneurial venturing, in Chapter 7, could provide a case point. Mine Karataş-Özkan and William Murphy, locating entrepreneurial processes in a contextual framework, recognize that they occur within a larger context – a framework of events, circumstances, situations, settings and niches. Entrepreneurs interpret these situations and coordinate their actions. In this sense, they report that entrepreneurial actors are active participants in entrepreneurial processes which occur in a historical and cultural context. In this way, they place particular emphasis on the processual, relational and creative qualities of entrepreneurial practices undertaken by these actors as and when they are engaged together in developing the venture on an everyday basis.
Therefore to understand venturing it is necessary to examine how organizational structure and settings (macro) foster interactions between individual actors (micro) and how individuals make sense of settings and interactions. Thus both macro and micro variables are needed to explain theoretically and account for entrepreneurial venturing. Further, the relationships among these variables, and the relationships between these variables and venturing, are specified. The specification of the relevant variables, their relationships and the dynamic nature of these relationships constitute a relational approach to entrepreneurial venturing.

Moreover several phenomena are unique to, and occur, only in organizations. For example, consider organizational learning and knowledge creation (Chapter 4), stress and burnout (Chapter 6), organizational health (Chapter 2), coordination (Chapter 5), organizational commitment (Chapter 8), interorganizational cooperation (Chapter 11), networking (Chapter 3), knowledge integration (Chapter 12) and inequality (Chapter 10). The units of analysis involved in the study of these organizational phenomena occur naturally at several levels: individual, dyad, informal groups, subdivisions of organizations such as work units, departments or divisions, organizations, and networks of organizations. Ayala Malach Pines (Chapter 6) for example develops a perspective of burnout (previously analyzed from an individualistic perspective) that does not treat individuals as functioning independently, but rather in terms of their interconnections and dynamic relations with other individuals and social systems, namely their work team, their organization, their culture and their global village. In this sense, the way employees interact with each other and their service recipients and the kinds of relationships they form in and out of the organization are critical to the way they experience, express and cope with burnout. In this sense, the relational perspective develops the ability to study how organizational settings and organizational members influence each other and are influenced in turn. Consequently, a relational perspective in organization studies could address effectively the complexities of the relationships between the units at different levels of analysis that comprise organizations.

**Micro, macro and the relational perspective**

*Micro approaches viewed from a relational perspective*

The micro perspective begins with rational calculating individuals as the elementary unit of organizational contexts (Emirbayer, 1997) but assumes the fixity of various identities, interests, goals and preferences. It takes norm-following individuals, and the inner forces driving them, as its basic unit of analysis. It depicts individuals as self-subsistent entities that pursue
internalized norms given in advance and fixed for the duration of the action under investigation.

Fundamentally opposed to these approaches is the relational perspective, where aspects of action are not attributed to individuals isolated from their interrelations. Blake Ashforth and Davis Sluss in Chapter 2, developing the concept of relational identities, argue that individual identities and interests are not preconstituted and they do not enter into mutual interactions with their attributes already given. Rather, identities are constituted within communities including cultural values and networks of interpersonal, social relationships. One’s sense of identity therefore may also vary as a function of relations with others. Social interaction involves a complex process of negotiation (Stryker & Statham, 1985) whereby individuals mutually define each other’s roles and the situation they are in, and on the basis of role expectations, the patterns of interaction that are therefore appropriate.

What is distinct about the relational approach is that it sees relations between structures and individuals as dynamic in nature, as unfolding, ongoing processes rather than as static ties among their constituent elements. Olivia Kyriakidou, in Chapter 3, argues for the concept of relational identity orientations bringing a renewed interest in the social and relational aspects of knowledge transfer, learning and change within network arrangements. Central to this perspective is the idea that identity processes play a central role in the dynamics that unfold in organizational networks in order to facilitate knowledge transfer, learning and change. In this context, she argues that new approaches in organizational network research should incorporate modes of thinking about relationality and identity, and especially encourage those that conceptualize identities as relational and dynamic, adopt multiple levels of analysis and promote a relational and multilevel discourse about organizations.

Moreover there are some micro phenomena that are uniquely organizational in nature, such as coordination (Chapter 5), learning and knowledge creation (Chapter 4), organizational commitment (Chapter 8) (among others such as recruiting, socialization, management development, organizational citizenship, team behavior and so on). Because micro-organizational issues only emerge in the context of organizations, it is necessary to think organizationally, in terms of organizational processes, as well as behaviorally.

The image most often employed when speaking of the relational perspective is that of complex joint action, in which it makes no sense to envision constituent elements apart from the processes within which they are involved. Based on this image, David Schwandt, M. Turan Ayvaz and Margaret Gorman, in Chapter 4, argue against the disassociation of knowledge from its dependence on a value context and its social relational origins.
They propose instead, that understanding the dynamics of learning, knowledge creation and collective cognition requires an analytic framework that takes into consideration both micro and macro, subjective and objective concepts, such as structuration, institutionalization and implications for interactions of actors into an analytical framework based on a functional action theory that will enable the understanding of individual actions and judgements.

Jody Hoffer Gittell, in Chapter 5, develops a relational perspective of coordination where micro, meso and macro processes are integrated to articulate how organizational contextual variables and micro processes influence each other. She explores the micro dynamics of coordination in work processes that are highly interdependent, uncertain and time-constrained and argues that effective coordination is carried out through relationships of shared knowledge, shared goals and mutual respect. In this way, she generates unique insights and knowledge about coordination, over and above that contributed by micro- and macro-level research and theory alone. She argues that for effective coordination shared knowledge is not sufficient, a finding which was supported by theories of task interdependence (Thompson, 1967). If effective coordination is to occur, participants must be connected by relationships of shared goals and mutual respect because together they form the basis for collective identity and for coordinated collective action.

**Macro approaches viewed from a relational perspective**

The macro perspective on the other hand finds its way into organizational thought by means of ‘structuralisms’ that posit not individuals but self-subsistent ‘societies’ and ‘structures’ as the unit of analysis. Macro theory has the tendency to make predictions of market and organizational functioning and performance while treating individuals and groups as ‘black boxes’ whose functioning they do not explain, based on the assumption that durable, coherent structures possess properties not reducible to the discrete elements of which they consist. A reading of most of the macro literature would lead one to believe that there is no role for human agency in macro organizational processes.

Yet there is evidence that individuals and groups substantially influence macro-organizational phenomena. Individuals carve out jobs and therefore influence structure (Miner, 1987). Individuals enact environments (Weick, 1991). Traditional macro theorists have ignored many of the behavioral processes by which situations evolve. Jeongkoo Yoon and Edward Lawler, in Chapter 8, developed the relational cohesion theory in order to question the instrumental explanation of commitment in exchange and rational choice theories. These theories do not explain why actors remain in commitment
relations in the face of better alternatives, competitive bidding and changing incentives in the environment. On the other hand, they attempt to solve the problem by embedding a variety of incentive configurations in social structures. However Yoon and Lawler, by emphasizing the process of emotional experience triggered by human action and social interaction, expand the instrumentally oriented approaches and add explanatory power to the concept of organizational commitment by putting emphasis on emotions, cognition and agency. In this sense, commitment is not attributed to independent structures or individuals isolated from their interrelations. On the contrary, they examine the relationships between organizational contexts and behavior of components and they evaluate how these relationships shape outcomes, such as organizational commitment.

In a similar vein, Yoshimichi Sato in Chapter 9, in his analysis of trust and commitment in the market, integrates micro-behavioral processes to more fully account for the predictions of transaction and opportunity cost theories. Based on their assumptions, it is predicted that commitment relationships become more difficult to maintain as the market becomes more attractive, since commitment relationships incur high opportunity costs if the market is very attractive. In this way, at the most macro level, the market is often interpreted as an autonomous, internally organized, self-sustaining system. However when the behavioral processes of the agents are explored, the mechanism behind the development of commitment and trust relationships in the market is revealed: it is the diffusion through imitation of behaviors of committed people that creates the possibility of fixing a certain behavioral pattern, such as commitment, in society.

One more distinctive competence of the relational perspective is the ability to study behavior in context. Context refers to the whole structure of connections between components that gives components their meaning. To take something out of context is to remove it from its relationship to other parts, the larger whole, and the setting in which it operates. In this sense, the relational perspective develops the ability to study how contexts, settings and individuals influence each other, and are influenced in turn. Cecilia Ridgeway, in Chapter 10, explores the relationship between social relational contexts in which people coordinate and shape their behavior in relation to others, and the construction of inequality. She argues that self-organizing inequalities are bottom-up processes of contingent, mutually reinforcing events that result in systematic structures of inequality between actors and/or social groups. Social relational contexts act as a taken-for-granted micro-engine of inequality that is missed by purely macro approaches to social inequality that focus entirely on processes at the institutional or socio-economic level. Missing this micro engine, she argues, limits the ability of such macro approaches to explain how some forms
of inequality sustain themselves over major transformations in the macro-
level, socio-economic processes that sustain them.

The relational perspective argues for the development of a number of
linking propositions that outline the processes by which different levels of
analysis are related. In this sense, Julie Battilana and Metin Sengul, in
Chapter 11, expand the conceptualizations of interorganizational coopera-
tion by integrating a number of relational characteristics and behavioral
processes at different levels of analysis to explain the choice of more or less
integrative forms of cooperation. In Chapter 12, Laura Costanzo relates the
embedded relationality of the firm to its strategic choices and capabilities of
knowledge integration, arguing that such dynamic capabilities are the firms’
real competitive advantage in turbulent environments. In this sense, change
is the joint result of managerial intentionality and environmental effects. In
this context, the evolving process of strategic renewal is conceptualized as
a recursive process, which occurs in a context of direct interactions with
individuals, other firms and responses from the rest of the population.

From relational perspectives to relational methods
Three chapters in this volume examine relational methods in organizational
studies. An explosion has been witnessed in the range of approaches to
organizational research methods that are termed as relational methods.
Tracing the historical development of relational ontology in organizational
studies, in Chapter 13, Mustafa F. Özbilgin examines the epistemological
and methodological approaches to relationality in this literature. The most
promising of these relational methodologies, he argues, are the ones that
seek to bridge the agentic, social structural and contextual dimensions of
organizational life with a sense of situatedness in time and space, often
adopting a pluralism rather than purism in choice of techniques and
methods. Özbilgin places relational methods in various typologies by
content and context in this chapter. Taking the discussion on relationality
to a more philosophical level and drawing on evidence from educational
settings, in Chapter 14, Dian Marie Hosking presents three discourses of
relationality in which she identifies the nature, context and content of rela-
tional thinking and arrives at a relational reality reified in her depiction of
critical relational constructionism (CRC).

Finally, drawing on evidence from educational settings, in Chapter
15, Thomas Wright presents a relational method, CPR (committed-to-
participant-research method) which has the mighty promise of recognizing
and facilitating human capacity to self-regulate and make reflective deci-
sions through relational engagement. The method promises to transcend the
reactive models of human agency for a dynamic understanding of agency in
relational context.
Concluding comments
The chapters in this book are diverse. Nevertheless, they reflect some common themes that may identify directions for future research. Some of these overlapping themes might include (1) understanding of inequality in organizations; (2) recognition that organizations are multifaceted regarding the provision of identities for members, and of the need to understand the impact of different identity orientations and the tensions they create within an organization; (3) study of new organizational structures that support relational coordination and rely on groups; (4) analysis of discourses of relationality and hierarchical relations of power within groups; (5) the role of relationships in organizational commitment and organizational learning and the mediational role of relationality between norms and the extent to which relationships within and between groups and organizations are cooperative and trusting or not; (6) organizational change, networks, entrepreneurship and organizational strategy in high-speed environments.

The chapters in this book point, we feel, to a promising future for the development of a truly relational perspective around organizational issues. This articulation will identify conceptual and empirical lacunae and thus highlight new directions for future research. Our understanding of relationality and basic relational processes will advance, as will our understanding of contemporary organizations in dynamic, continuous and processual terms. We argue that conducting research that breaks out of the traditional single-level micro or macro framework provides a more comprehensive and more realistic way of thinking about organizations and people in them. By realizing the potential of the relational perspective we can begin to develop more integrated theories of behavior in and of organizations.

References