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Operationalizing cultural political economy: towards critical grounded theory

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Abstract

Purpose – The purpose of this paper is to take conceptual and methodological steps towards the elaboration of the critical grounded theory (CGT) method.

Design/methodology/approach – Starting from conceptual issues with mapping everyday discourses and practices in their broader societal context in organisational ethnography, cultural political economy (CPE) is proposed as a suitable theoretical framework for integrating the cultural dimension of discourses and imaginaries into political-economic analyses of organisation and management. The CGT method is introduced for empirical operationalisation.

Findings – Grounded theory tools for working with ethnographic data can be employed within critical approaches such as CPE although they originate from positivist social science. The need to combine ethnographic fieldwork with substantial theoretical work and/or critical discourse analysis may be met by CGT, which affords the ethnographic strengths of grounded theory without, however, bracketing the critical-theoretical insights of CPE.

Research limitations/implications – The usefulness of CGT has been tentatively tested, but requires thorough meta-theoretical and methodological development, which is what is undertaken here.

Social implications – CGT expects and takes account of the social implications of its employment in the field.

Originality/value – First steps towards a new critical method for organisation and management studies are taken. Although originating from concern with CPE, the CGT method may appeal to a wider audience of critical scholars across the social sciences.

Keywords Methodology, Critical realism, Cultural political economy, Critical discourse analysis, Critical Grounded Theory

Paper type Conceptual paper

Introduction

Organisational ethnography faces the challenge of understanding everyday discourses and practices in the organisation and management of capitalism. Thankfully, this challenge has recently generated sophisticated conceptual frameworks. This response has aimed at making greater sense of the co-constitution of capitalism's cultural, political and economic dimensions (e.g. Du Gay and Pryke, 2002; Amin and Thrift, 2004; Jessop and Sum, 2006; Best and Paterson, 2010). Not least as a result of the turbulence caused by the ongoing crisis, in which capitalist organisation appears to undergo both rapid change and perplexing continuity, these efforts are starting to appeal to organisation and management scholars. The emerging trans-disciplinary cultural political economy (CPE) framework (e.g. Jessop and Sum, 2001, 2006; Jessop, 2004, 2009) is quite arguably the most ambitious attempt. It also has an emancipatory agenda which, not least considering rising inequality and struggle over the organisation of capitalist accumulation, should speak to

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critical scholars. CPE has therefore started to make an impact on the discipline (e.g. De Cock *et al.*, 2011; Thompson and Harley, 2012; Levy and Spicer, 2013). Nevertheless, the application of this young theoretical framework to concrete analysis calls for a methodological discussion. It is our claim that a methodologically sound CPE could have considerable utility for organisational ethnographic scholarship.

In this paper, we point to a few ontological and epistemological issues in CPE, which translate into methodological problems when endeavouring to operationalise CPE in empirical research. We proceed by proposing the development of a critical grounded theory (CGT) as a more suitable method for doing CPE research. CGT is designed with the retroductive movement from abstract to concrete, and simple to complex and back at its core, while at the same time producing rich ethnographically generated conceptual frameworks required to comprehend the cultural, everyday dimension of continuity and change in capitalist economy and society. Although originating from concern with CPE, the CGT method may appeal to a wider audience of critical scholars across the social sciences, not least including scholars of organisations.

The paper is divided into two parts and a conclusion. First, we outline CPE. CPE embraces insights from the work of Antonio Gramsci and post-structuralist theories to account for the relevance of meaning systems, discursive orders and social imaginaries while retaining concern with historically specific capitalist accumulation and the institutional regularisation of its contradictions. It promises to provide a suitable theoretical framework for shedding analytical light on the question of how individual and collective actions and beliefs give rise to larger patterns and routines of praxis, shared discourses and imaginaries, as well as institutional forms and wider social structures, processes that can spell either continuity or change in organisational life. It thus enables the researcher to focus on the bottom-up direction of how everyday actions reproduce, but also potentially challenge, social structures while retaining the capacity to explain how social structures determine, enable or hinder this agency. CPE has until now predominantly used critical discourse analysis (CDA) as a method to study the evolution of economic imaginaries. This method can be productively employed if the research interest is primarily located on the semiotic level. However, "the "imaginary" refers not only to semiosis but also to its material supports, and this requires a broader toolkit" (Jessop and Sum, 2012, p. 86).

Second, we aim to fill this broader toolkit by introducing CGT as a method for CPE to reach its full analytical potential. CGT goes beyond CDA, broadens and deepens it by grounding it in rich, ethnographically derived accounts of the everyday. We will demonstrate how the application of CDA creates tensions in CPE's efforts to account for both the non-discursive and the discursive dimensions of social actions and processes if not combined with ethnographic tools such as interviews, observations or focus groups. People act within social structures and they give sense and meaning to their actions, constituting two aspects of human praxis that should not be isolated but studied in their complex interrelations. CGT is capable of accounting for both meaning-production and actions and processes in their "real" interrelations. By embracing critical realism, CGT positions itself ontologically and epistemologically in between the naïve realism of Glaser (1992) and the radical constructivism that has been proposed by more recent contributions (e.g. Charmaz, 2006; Clarke, 2008) to the methodological debate about grounded theory. At the heart of CGT lies the methodological principle of retroduction, a continuous movement between abstract and concrete, between conceptual and empirical work as necessary moments in the development of theory. Theorising and ethnography are here inseparable. Reasserting Immanuel

Kant's (2000) famous quote "Thoughts without content are empty; apperceptions without conceptions are blind," ethnography is inevitably theoretically informed just like theorisation is inescapably shaped by empirical observation.

CPE and the everyday

Bob Jessop and Ngai-Ling Sum have dedicated much of the last decade and a half to outlining the theoretical foundations of CPE (e.g. Jessop and Sum, 2001, 2006; Jessop, 2009; Sum, 2009, 2010). Despite turning to more concrete analyses of the ongoing global financial and economic crisis (for instance, Jessop, 2009, 2012a, b; Sum, 2009, 2010), its operationalisation in empirical analysis remains limited (Van Heur, 2010a, b) and thus also its methodological refinement. Thompson and Harley (2012) have pointed to tensions arising with the founders' suggested preferred method of CDA (e.g. Fairclough *et al.*, 2004), which, they argue, has a bias towards discourse analysis privileging the decontextualised study of discourses as opposed to an analysis of discourse, in which context remains at the core of the research effort. CPE's critical realist foundations are not, in their opinion, consistently adhered to. Indeed, CPE requires a methodology that is capable of integrating the macro in the study of the micro, the abstract in the typically ethnographic immersion into the concrete and complex, the structural in the engagement with agency, while acknowledging the normativity inherent in such research. At the core of this methodology, the critical realist notion of retroduction has to be placed enabling the move from the abstract level of capital accumulation and social regularisation to more concrete levels of particular social strategies and everyday lived discourses and practices and back.

This section outlines CPE's consideration of semiosis[1], that is, its account of the inter-subjective production of meaning within a dialectical understanding of the specific materiality and contradictory nature of capitalism (Jessop and Sum, 2006, p. 301). By focusing in particular on CPE concepts such as "economic imaginaries", "semiotic orders" and "material contradictions", we point to its understanding of agency, subjectivity and contingency. This brings us to a critique of CPE's empirical operationalisation to pave the way for us combining it with CGT in the next section.

CPE: an outline

CPE is a framework designed (see Jessop, 2004, 2007, 2009, 2012a, b; Jessop and Sum, 2001, 2006, 2012) to avoid economism, on the one hand, and culturalism, on the other (Jessop and Sum, 2006, p. 352; see also Gramsci, 1971, pp. 407-408, 428, 436). Jessop and Sum (2006) claim to set out from the historical materialist ontology of "capital as a social relation" to analyse historically specific economic forms, processes, institutions and struggles in capitalism (pp. 36-37, 355)[2]. In this conception of the relationship between the economic and the cultural, the notion of dialectics plays a significant role, in the first instance ontologically and later, as we will go on to show, methodologically. Dialectics here refers to a contradictory relationship of mutual co-constitution and intermediation between entities or dimensions that are at once separate and inseparable and thus form a contradictory unit of diverse determinations. CPE highlights how the capitalist mode of production, despite its internal contradictions and crisis-tendencies, is reproduced and at times, however, improbable, even rendered relatively stable. It is thereby also inevitably concerned with how capitalism enters into crisis and transforms. As such it is concerned with capitalist relative stability and change (Boyer in Jessop and Sum, 2006, p. 330).

CPE endeavours to bring analysis to the concrete and complex level: the everyday. CPE commits to studying the concrete as it makes "the analysis of hegemony and ethico-political relations" the endpoint of its methodological move (Jessop and Sum, 2006, p. 352). To reach this point, it puts both capitalist economies and states in their place by synthesising a notion of the capitalist economy in its historical specificity and most inclusive sense ("integral economy") with that of the capitalist state comprising both a narrow definition of the state and the Gramscian "integral" configuration of political society plus civil society, i.e., hegemony armoured by coercion. Navigating carefully through the cultural and linguistic turns (e.g. Williams, 1980; Laclau and Mouffe, 1985; Gal, 1989; Lash and Urry, 1994), it employs discourse-analytic insights and concepts to enhance our understanding of the inter-subjective production of meaning inherent in all social relations, while impressing on us that such production must significantly correspond, although ever partially, to real material interdependencies in the actually existing economy ("the decisive economic nucleus") without appearing "arbitrary, rationalistic and willed" (Jessop and Sum, 2006, p. 362). Indeed, it is this correspondence that should attract the attention of CPE scholarship. Although taking a keen interest in semiosis, CPE endeavours to avoid these turns' tendential "culturalisation" of capitalism. Culturalism, it is contended, makes it impossible to differentiate materially between economic and non-economic, capitalist and non-capitalist forms, contradictions, processes and institutions (Jessop, 2004). Moreover, while it acknowledges the significance of constructivist concerns with economic and social conventions, it refuses to sever these from their embeddedness in "the antagonistic nature of the capital-labour relation and the inevitability of class struggle" (Jessop and Sum, 2006, p. 222).

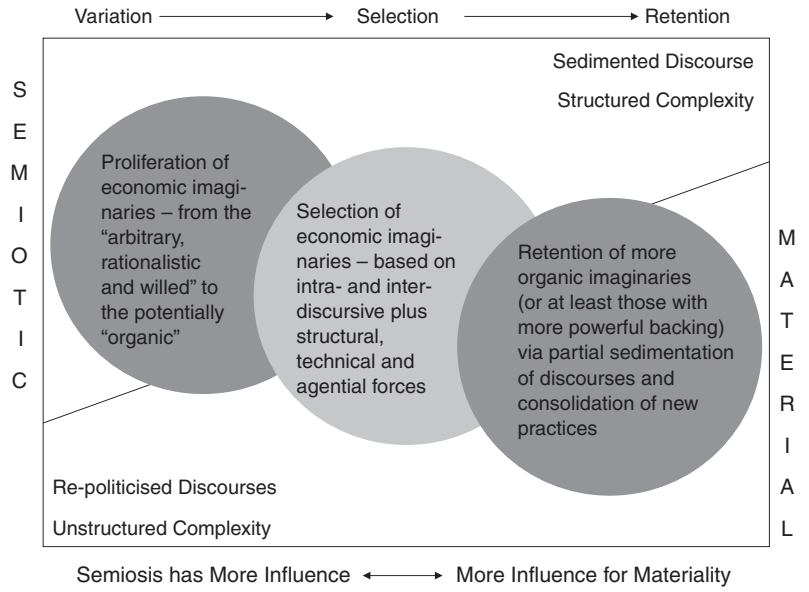
More concretely, CPE examines "how economic issues are first translated into political problems for action by the state in its inclusive sense and how their solution is mediated by the structurally inscribed, strategically selective nature of political regimes" (Jessop and Sum, 2006, p. 372). Indeed, hegemony must be both ethico-political and economic because it must be based on the decisive function exercised by the leading group to articulate the universal in relation to the decisive nucleus of economic activity (Jessop and Sum, 2006, p. 161). Their relationship cannot just be "arbitrary, rationalistic, and willed" but must have some chance of forming and consolidating a "historical bloc"[3] (Jessop and Sum, 2006, pp. 376-377). Against the backdrop of Gramsci's (1971) notion of the "decisive economic nucleus" of social life, CPE recognises that agents must address, if they are to be successful in the longer run, the historically specific, but essential, conditions of capitalist accumulation for "juridico-political and/or politico-military power and be sensitive to the political effects of economic developments" thereupon (Jessop and Sum, 2006, p. 364). This requires analysis to be "explicitly concerned with the intellectual and moral dimensions of economic as well as political life; and [the exploration of] the crucial activities of political and intellectual forces in shaping and guiding the economy in its integral sense" (Jessop and Sum, 2006, p. 349). However, following Foucault, Gramsci and Bourdieu, CPE also explores capitalism's deep penetration into everyday life through the employment of "diverse techniques of power" to produce "more encompassing and enduring sets of social relations […] embedded in the habitus, hexis and the common sense of everyday life but also provide the substratum of institutional orders and even broader patterns of social domination" (Jessop, 2009, pp. 342-343; see also Sum, 2009, 2010). Foucauldian notions such as discourse, dispositive, power/knowledge and governmentality are emphasised and combined with Gramscian concepts such as hegemony, sub- and

counter-hegemony (Jessop, 2009, pp. 342-343; see also Sum, 2009, 2010). The result is an approach that aims to provide historically sensitive conceptual frameworks for understanding real capitalism with its characteristic crisis-tendencies and improbable social regularisation, but with an explicit commitment to analysing the level of the concrete as well as the dimension of semiosis.

Economic imaginaries – imagined economies

In CPE's analysis of the everyday, the semiotic is central. The key concept for CPE is "economic imaginary". This "is a specific configuration of genres, discourses and styles and, as such, constitutes the semiotic moment of a network of social practices in a given social field, institutional order, or wider social formation" (Jessop, 2004, p. 166). This concept seeks to reduce, or identify, privilege and stabilise, the complexity of all substantive economic activities to make them cognitively and practically manageable as an "imagined economy" by transforming them "into objects of observation, calculation, and governance" (Jessop, 2004, p. 163). Imagined economies are typically discursively constituted and materially reproduced at a range of scales, spatial and temporal horizons and sites, including that of firms and other organisational forms. This is an asymmetrical process which involves specific agents employing strategies of manipulation of discourse and knowledge for its accomplishment. However, it is also typically contested and resisted, whether overtly or covertly, can never be fully constituted, and retains "interstitial, residual, marginal, irrelevant, recalcitrant and plain contradictory elements that escape any attempt to identify, govern, and stabilise a given 'economic arrangement' or broader 'economic order' " (Jessop, 2004, p. 163). Due to the existence of these elements, the performance of imagined economies is never entirely smooth, and can be drawn from a range of semiotic and material resources to be exploited as underlying structural contradictions and strategic dilemmas at particular conjunctures throw them into states of disarray. In periods of transition, economic imaginaries are articulated to render organic the emergence of a potential, new economic regime with its distinctive overall dynamic, tendencies and countertendencies, particular organisational forms, boundaries, conditions of existence, labour processes and typical economic agents. A successful economic imaginary requires institutional innovation capable of reorganising the social formation and providing effective political, intellectual and moral leadership. It serves to enable "the re-thinking of social, material and spatio-temporal relations among economic and extra-economic activities, institutions, and systems and their encompassing civil society" (Jessop, 2004, p. 166). Indeed, "relatively successful economic imaginaries […] have their own, performative, constitutive force in the material world" (Jessop, 2004, p. 163) (Figure 1).

Jessop (2015, pp. 6-8) identifies three moments in the evolution of economic imaginaries: variation, or proliferation, of competing imaginaries; selection of a particular discourse; and, retention of some resonant characteristics (e.g. inclusion in an actor's habitus, hexis and personal identity, enactment in organisational routines, integrated into institutional rules, etc.). The moment of retention also involves an economic imaginary's reinforcement by procedural devices serving to privilege an economic imaginary at the expense of competing discourses and practices, and recruitment/inculcation of these discourses by relevant social agents. This evolutionary conception of capitalist social reproduction "highlights the dialectic of path-dependency and path-shaping that emerges from the contingent co-evolution of semiotic and extra-semiotic processes" (Jessop, 2009, p. 340). However, it is claimed, for an economic imaginary to be successful, it must plausibly translate into accumulation strategies



Note: We would like to thank Edward Elgar, Ngai-Ling Sum and Bob Jessop for generously allowing us to republish their figure here

Source: Modified from Jessop (2015, p. 7)

Figure 1.
Variation, selection, and retention of economic imaginaries

and/or hegemonic projects[4], which in turn have to speak to the decisive economic nucleus in order to enjoy longevity. This linking of context with discourse and practice is arguably essential in the ethnographic study of capitalist organisation. Still, to bring this complex framework successfully in touch with concrete research, a methodology capable of delivering on its promise is required. Next, we problematise its currently preferred method of CDA.

Problematising the operationalisation of CPE

The analytical ambitions of CPE are in line with its expressed ontology: "A thorough CPE analysis would include the role of extra-semiotic (material) as well as semiotic factors [that dialectically shape the] variation, selection, and retention of particular [economic] imaginaries" (Jessop, 2009, p. 340). However, its methodology currently hampers the realisation of its full potential (cf. Jones, 2008, p. 390). In the remainder of this section, we critically analyse CPE's alignment with CDA (e.g., Jessop and Sum, 2006, p. 376; Jessop, 2009, p. 338; for CDA more generally, see e.g. Fairclough *et al.*, 2004; Fairclough, 2009). In particular, CDA tendentially focuses the discursive or semiotic level of analysis and considers its non-discursive, structural context only insofar as the latter is rendered necessary to adequately understand the former. It thus often falls short of analysing the complex interplay of semiosis and structuration without a priori privileging semiotic over structural factors (e.g. Jones, 2004; Thompson and Harley, 2012).

As we have seen, CPE's remit of inquiry revolves around the dialectical relationship between the economic structures of capitalism, political or institutional forms processing the contradictions and crisis-tendencies inherent therein and political and

economic imaginaries guiding individual and collective action as well as influencing institutional and organisational change and continuity. The discursive thus comes into consideration, because it is necessary to understand and explain non-discursive processes and practices, not vice versa. CPE is not interested in merely linguistic forms of discourse analysis, because the problem it addresses – the improbable reproduction of capitalist relations through semiotic and structural mechanisms – is not a linguistic one. As Thompson and Harley (2012) state the methodological challenge: we need "to demonstrate its [discourse] importance as a potential causal mechanism without a priori privileging discourse as the dominant phenomenon or explanation" (p. 1377). However, this is a considerable challenge. It means that CPE has to go beyond CDA and adopt a methodology that makes a broader methodological movement centred on the critical realist principle of retroduction while also embracing an ethnographic immersion into the field.

In sum, CPE analysis of organisational life and beyond must carefully account for the dialectical relation between the semiotic and the extra-semiotic, and do so in the historically specific. As suggested in foundational CPE works (e.g. Jessop and Sum, 2006, pp. 299-322), it must take the methodological movement of retroduction very seriously to fully account for the extra-semiotic conditions within which semiosis takes place. Still, this needs to proceed as guided by the intermediate and modifiable concepts, which CPE so impressively affords us. CPE's alignment with CDA, however, creates a tension between ontology and methodology if not combined with other methods. In the next section, we introduce CGT, which we believe can offer CPE a more suitable methodology for its operationalisation.

Towards an operationalisation of CPE: CGT

In this section, we better operationalise CPE by introducing CGT. We claim that grounded theory affords a methodological procedure for systematically constructing conceptual frameworks. We believe that this procedure lends itself better to the everyday life and the (necessarily critical) ethnographic immersion into everyday life while enabling retroduction. While the classical version of grounded theory is founded on a positivist epistemology, subsequent generations have explored radical constructivism. Our critical version is founded, just like CPE, on critical realism and thus occupies a third meta-theoretical position. This move, however, requires us to adapt the methods and techniques of data generation and analysis derived from grounded theory. We will propose to combine the horizontal logic of classical grounded theory with a vertical logic (see also Michael Burawoy's (1998) extended case method) as a remedy to the micro focus of many grounded theory studies, which has often been problematised by critical scholars. With its transformation into a critical methodology, its normative dimension must also be carefully addressed and integrated into the framework design. We here briefly review different generations of grounded theory in order to be able to identify its potential contribution, but also its limitations. This will set the stage for outlining CGT.

Grounded theory methods and their limitations

Grounded theory has become a highly popular method in the social sciences for its ability to construct, in a structured manner, rich conceptual frameworks or "grounded theories", out of, typically, ethnographically produced data. This includes organisation and management studies (see Suddaby, 2006, for a critical review). At first glance,

grounded theory appears to promise little other than the facilitation of positivist sociology (Charmaz, 2006). As such, it should have no appeal to the ontological depth of CPE. Yet, at second glance, grounded theory can be seen to harbour the seeds of a method that is ideally suited to the study of capitalist organisation. The promise of CGT, as based on a critical realist foundation, suggests a method capable of overcoming the tendency within organisation and management scholarship, and for that matter beyond, to focus on either agency or structure and instead facilitate the study of the interdependencies between the two. However, to arrive at the fulfilment of this promise, let us briefly consider grounded theory as it stands.

Grounded theory as a method for qualitative social research goes back to the seminal work by Glaser and Strauss (1967) *The Discovery of Grounded Theory*. The title is suggestive of the idea that the adequate "theory" is already there in the data, simply waiting to be "discovered", representing the naïve realism and positivism associated with the work of Glaser. Strauss has since moved in a different, more "post-positivist" direction that is less opposed to the use of existing theory in order to establish the context of a grounded theory (Strauss and Corbin, 1990). As the questions of theory and context are central to the development of CGT, the disagreement between Glaser and Strauss deserves closer attention.

In *Basics of Qualitative Research*, Strauss and Corbin (1990) develop two different techniques to facilitate the doing of grounded theory. The first is the use of a "coding paradigm" (Strauss and Corbin, 1990, p. 99) as a tool for enhancing "theoretical sensitivity" in moving upwards from the data to codes to categories. The second tool of note in this work is the "conditional matrix" (Strauss and Corbin, 1990, p. 158), which is closely related to the coding paradigm. It is a coding device to help the researcher locate the phenomenon under study within a broader structural context and analyse the interrelations between macro and micro conditions and consequences on a variety of scales from local action to the international level. Glaser (1992) however, dismisses both techniques. He rejects the coding paradigm accusing it of being too prescriptive and, thus, "forcing theoretical coding concepts onto data to the max" instead of letting "whatever theoretical codes emerge where they may" (p. 63). He also criticises the conditional matrix for the same reasons. Arguing that structural conditions at any of the matrix' levels are relevant to any grounded theory study, like Strauss and Corbin (1990, p. 161) do, for Glaser (1992) again, means abandoning grounded theory in favour of what he calls "preconceived conceptual description" (p. 98), or "pre-concepts". In other words, Glaser's ideal grounded theory holds on to a naïve realism that can hardly be maintained, not within the natural sciences anymore and even less so in the social sciences.

Strauss' move has opened grounded theory up to constructivism and notions of meaning-making (see Charmaz, 2006). Adele Clarke (2008, 2011) has sought to capitalise on this by moving towards "situational analysis" and exposing grounded theory to post-modernism and discourse analysis. What we take from this intervention is the definitive rejection of positivist remnants of grounded theory and the reinforcement of the proposition that it is necessary to relate categories and properties not only to the emerging conceptualisation but critically to previously existing theories as well. What is disappointing for our purposes is Clarke's imitation of the postmodern gesture of rejecting comprehensive social theories in arguing that it makes no sense to formalise something that is constantly changing (Clarke, 2008, p. 221). Favouring theorising over theory, she claims that it is unnecessary for grounded theory to aim for substantial and formal theories; instead, analysis should focus on the production of

"sensitising concepts". In addition, this appears inconsistent with her call for "de-reification" and analysing relations of power and domination in order to unmask the "non-negotiable in social life" (Clarke, 2008, pp. 220-221). We maintain that the very notions of reification, power and domination presuppose a comprehensive critical theory of society. Obviously, for our attempt to operationalise CPE, an approach that sustains the idea of comprehensive social theory, we would need another, more genuinely "critical" grounded theory.

There are several attempts at integrating critical theory into the grounded theory method. MacDonald (2001) seeks to find a critical perspective for grounded theories of nursing and health promotion. She recognises charges against symbolic interactionism and grounded theory for having an "astructural bias" (Clarke, 2008, p. 118), i.e. being insensitive to social structure, thus neglecting the complex interdependencies between macro and micro, and between structure and agency. She advocates that grounded theorists should not be afraid of the consideration of comprehensive social theory, or what Glaser lambasts as "pre-concepts". She seems to imply, however, that on proper reading many of these charges are overstated or true only for a fraction of work based on symbolic interactionism and grounded theory. Her argument takes up the disagreements between Glaser and Strauss favouring Strauss' more context-sensitive approach. Nevertheless, she lapses into inconsistency. On the one hand, she contends that the conditional matrix can account for social structure. On the other hand, her feminist argument that "power is embedded in […] structural phenomena that […] exist separately from people's acknowledgement or understanding of them" (Clarke, 2008, p. 121) suggests that she is in agreement with our contention that the historical specificity of the reifying effects of the economic structure of capitalism should be made more central to analysis.

Gibson (2007) rightly argues that any critical-theoretical grounded theory that endeavours to do so "without reflecting on society would lose its ability to be critical" (Clarke, 2008, p. 440). That is to say, from our perspective, that to produce grounded theory, we need a theory of society for understanding its macro context. Unfortunately, he proceeds by challenging comprehensive social theory and, instead, proposes a more pragmatic accommodation involving the inclusion of participants as equal partners (Clarke, 2008, p. 444). Moreover, Gibson fails to account for the dialectical relationship between structure and agency both theoretically and methodologically.

Kushner and Morrow (2003, p. 34) introduce realist foundations in order to enable an emancipatory agenda for grounded theory and take further steps towards CGT. Oliver (2012) takes this effort one step further by specifically developing the critical realist foundations for grounded theory in order to enhance both explanation and understanding as well as the normativity of praxis. She thus exposes grounded theory to the same philosophical balancing act as CPE, demonstrating the utility of our endeavour.

Towards a CGT

To develop a genuinely "critical" grounded theory method suitable for CPE, the following fundamental question has to be answered in the positive: can grounded theory become a key methodological tool for CPE in the generation and analysis of ethnographic data? A positive answer is also highly relevant for critical organisation and management studies' efforts to consider and intervene in capitalist organisation. We do answer this question in the positive, but also acknowledge that introducing CGT to CPE must not be done without carefully checking for epistemological and processual

compatibility. While most researchers argue that methods should be chosen for their ability to shed light on particular research questions, we agree with Michael Burawoy's (1998, p. 30) assertion that usually "the method […] shapes the problem", and must therefore be compatible with the research approach taken.

We here draw on recent contributions to grounded theory exploring the flexibility of grounded theory to accommodate critical research. We explore whether a CGT could be founded on critical realism, and whether it can be incorporated into a "retroductive" process of analysis.

Our discussion above concluded that second generation grounded theory has opened the approach up to constructivism (Clarke and Friese, 2007), to comprehensive social theory (MacDonald, 2001), critical theory (Gibson, 2007) and critical realism (Oliver, 2012). These are clearly encouraging developments for our purposes. Yet, we have to ensure that CGT and CPE are both epistemologically and methodologically compatible (Kushner and Morrow, 2003). Indeed, we contend that CGT can be founded on critical realism and the methodological principle of retroduction in particular. This must take the implications of taking semiosis seriously into account (Fairclough *et al.*, 2004). CPE's advocacy of critical realism requires the construction of a third epistemological position within grounded theory between the naïve realism of Glaser (1992) and the radical constructivism of Clarke and Friese (2007) and others. Naïve realism or empiricism, as exemplified by objectivist grounded theory, thinks of reality as objectively given. The reality exists independent of our knowledge of it and the task of science is to identify the objective laws governing that reality in order to construct theories able to explain real chains of events. Reality is prior to knowledge, knowledge is a passive and neutral representation of it, and the relationship between the two is a one-directional move from empiricism to theorisation. The most radical forms of constructivism on the other hand, as exemplified by constructivist grounded theory, deny the existence of a material reality that exists outside of our discursive knowledge of it. Reality is merely a discursive construction, fully constituted by the discourses with no material features of its own. Discourse and meaning, thus, become the only viable objects of scientific inquiry and what can be called the "real world" is systematically conflated with our knowledge of it (the "epistemic fallacy", see Fairclough *et al.*, 2004, p. 27). Terry Eagleton (1991, pp. 209-213) has argued that this overstatement is due to a neglect of the referent in de Saussure's semiotics, which transformed the traditional "semiotic triangle" (signifier, signified and referent) into a two-pole model without theoretical space for the material reality. Critical realism occupies a third epistemological space in between these extremes. It does so by insisting on the existence of a material reality independent from our knowledge of it while asserting that all human knowledge of this reality, all meaning it acquires for humans, is discursively constructed and historically contingent. The task of science, here, is to approximate reality in an ongoing research process that is endless as a matter of principle, because the material reality is never fully knowable. Approximating reality is possible, however, because not all discursive constructions are equally plausible and powerful in explaining events in the material world.

To re-cap, critical realism subscribes to a realist ontology of depth and a critical epistemology. It also contends that accessing reality in a pre-discursive or non-conceptual way is impossible. "Our knowledge of the real world is never theoretically innocent" (Jessop and Sum, 2006, p. 305). We cannot simply take concrete "facts" at face-value to compose more abstract theories. Rather, the movement between concrete and abstract constitutes a crucial moment in the development of theory itself. Our perception of the

empirical world is always-already theoretically informed, even if the "theories" are nothing more than what Gramsci called "common sense" or, in critical realist terms, "proto-theories" (Collier, 1994, p. 165). This is also the reason why ethnography is necessarily theoretically informed. The only question is whether we consciously employ and reflect on theories and proto-theories or whether we unconsciously rely on unreflected proto-theories and prejudice when entering the field, i.e. engaging with reality.

The reality explored by critical realism is complex, multi-layered and multi-causal, with its determinate "generative mechanisms" presenting scope for agency and change, including domination and exploitation. This sets a moral obligation of approximating and explaining the "real", although the latter is not completely knowable. Social reality undergoes constant change, pushed hither and dither by tendencies and countertendencies. By moving from the abstract to the concrete, "esoteric" economic laws generative of observable phenomena and events are explored. However, the "exoteric", the fetishised, enchanted world of lived, everyday experience, including processes of meaning-making and its impact on the overall movement of capital must also be analysed (Lipietz and Marx in Jessop and Sum, 2006, p. 309). Exploring these dialectical relations requires both explanation and understanding, which are here complementary rather than contradictory. Knowledge production through processes of retroduction that combine ethnography and discourse analysis with substantial theoretical work makes this possible.

In order to identify generative mechanisms, the critical realist employs the methodological principle of retroduction and asks the following question: what must be true for this event to be possible? From an observable phenomenon, we go back to possible explanations for the phenomenon. The answers to questions of this kind will be retroductive arguments, i.e. arguments "from a description of some phenomenon to a description of something which produces it or is a condition for it" (Bhaskar, 1986, p. 11). In order to arrive at possible explanations for the phenomenon, the critical realist relies on analogies with already known phenomena and on pre-existing theories as cognitive raw materials for the retroductive movement of thought. These pre-existing theories may be "proto-theories" (Collier, 1994, p. 165), i.e. proto-scientific theories stemming from people's experiences in everyday life, as well as scientific theories about the phenomenon at hand we wish to deepen, challenge, refute or reconstruct. We have seen that proto-theories, called "pre-concepts" in grounded theory, are dismissed by objectivist grounded theory but embraced by constructivist as well as CGT. In CGT, these pre-existing theories and concepts are worked through during an initial phase of deskwork. The researcher analyses the relevant scientific literature as well as media and policy documents before employing them in the construction of "soft hypotheses". These will gently guide the researcher through the subsequent phase of ethnographic fieldwork. In this phase, ethnographic interviews, focus groups, participant observations or other ethnographic methods can be employed to produce rich qualitative data to be evaluated using the tools and techniques of grounded theory. Finally, the researcher revises, reconstructs or develops the initial proto-theories in the light of empirical findings. CGT is thus different from CDA, because the core of CGT is not textual analysis of fragments of discourses, from which other elements of the social are related to better understand the discourse. Rather, fundamental is the ethnographic immersion into the field, in which the researcher employs pre-concepts to better understand how discourses and imaginaries become practically relevant.

Retroduction, then, describes an ongoing two-way, spiral movement between the abstract and the concrete, between theoretical and empirical work, that involves both an

interpretive and a causal dimension of explanation. It involves a moment of "dwelling in theory" (Burawoy, 1998, p. 5), a deductive moment, in which existing theories and concepts are worked through and applied to the research object in a first instance to generate soft hypotheses sensitising the researcher's understanding of observations and guiding dialogue with participants. These hypotheses are not "tested" for verification or falsification as in quantitative methods, neither are they "bracketed" or "suspended" as in constructivist grounded theory. In CGT, they are rather consciously put into dialogue with observations made in the field and with conceptualisations of participants. The perspectivity and subjectivity of the researcher, their interventions into the field, the dialectic inherent in ethnographic research, "create perturbations that are not noise to be expurgated but music to be appreciated, transmitting the hidden secrets of the participant's world" (Burawoy, 1998, p. 14). Retroduction then involves an inductive moment, in which the researcher is immersed into the field before working up empirical data into emerging conceptualisations, refining previous concepts, deepening understanding, altering explanations and reconstructing existing theory in order to appropriate the "real-concrete" as a "concrete-in-thought" (Jessop and Sum, 2006, p. 307). The result is not an objective grounded theory discovered in the data, but a CGT reconstructed through a rigorous and interventionist research process.

There are four envisagable outcomes of this process. First, it can serve to deepen knowledge by increasing understanding of historically specific cases and forms of social regularisation and resistance. Second, it can broaden knowledge by adding variations of ideal typical macro phenomena such as growth regimes (e.g. from finance-led, Boyer, 2000, to finance dominated, Stockhammer, 2008). Third, it may serve to connect projects, strategies, governance and resistance on different scales of articulation and their uneven and combined development. Finally, it could, ultimately, come to challenge the explanatory value of existing middle-range concepts and macro theories (Figure 2).

CGT's embrace of "pre-conception", anathema to first generation grounded theory, thus facilitates retroduction, which provides useful structure to research, without becoming overly formulaic. It allows for the informed, but tentative and relatively open-ended, vertical movement in research from the abstract and simple to the concrete and complex, while empirical data analysis employing a CGT method serves to construct rich and conceptual frameworks able to refine our understanding of the social at higher levels of abstraction. CPE as operationalised by CGT can thus serve to bridge macro and micro approaches in the (critical) study of organisation and management (see also Watson, 2012).

By employing retroductive research, CGT combines the horizontal logic of classic grounded theory methodology, which often leads to comparative descriptions and typologies of cases, with a vertical logic aiming at causally connecting cases in order to identify social relations that can be traced to the macro context shaping them (see also Burawoy, 1998, p. 19). While CGT must embrace context to be compatible with CPE, it must also avoid the radical interpretive turn that restricts itself to mapping and interpreting local contexts without aiming at explanations for observed phenomena that allows for a certain degree of generalisation. Generality here is not achieved by making different cases to instances of a general law or different ideal types, but by reconstructing theory. This must be driven, not by seeking confirmations, but rather refutations that can inspire us to deepen CPE or our preferred macro-theoretical framework respectively. Instead of discovering grounded theory, we elaborate existing theory (Burawoy, 1998, p. 16). By holding on to theoretical insights in ethnographic work, retroduction is made possible and clearly distinguishes CGT from the classical version. By combining discourse analysis and ethnography, CGT also moves beyond

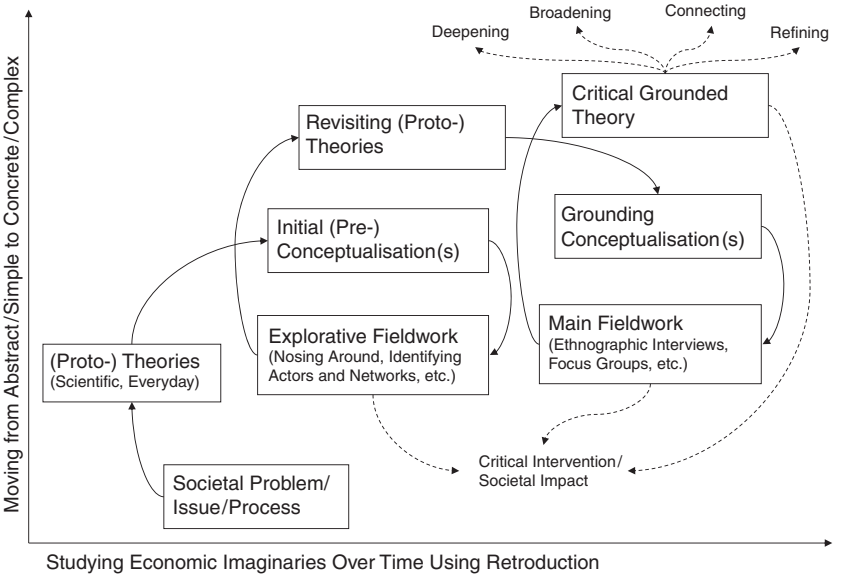


Figure 2.
The retroductive research process of CGT

CDA and is better suited to study economic imaginaries, not *per se*, but in relation to how they become practically enacted in social practices, inculcated by social agents and materialised in institutions, strategies and projects (cf. Fairclough, 2009, p. 165).

Conclusion

In this paper, we have sought to make a case for CGT as an appropriate method for studying the complex interplay of material and cultural dimensions of social phenomena in an empirically grounded and yet theoretically informed manner. Our discussion of CGT grew out of concern with operationalising CPE. CPE, in turn, has been presented as a promising approach to inform critically oriented organisational ethnography as it is capable of connecting organisational discourses and practices to their structural context in the broader organisation of historically specific capitalisms. CPE emerges out of Regulation Theory with inherent strengths in the identification and analysis of social structures and processes on the macro level as well as institutional and organisational forms on the meso level. However, by taking the cultural turn seriously, CPE is better equipped to account for agency and contingency on the micro level of the everyday as well as for the inter-subjective production of meaning and the social imaginaries, through which actors – individual and collective – experience and live their relations to the real world. Not least in a context of capitalist crisis, CPE serves the critical analysis of organisation and management well by raising the gaze of scholars that have come accustomed to focusing on organisational discourses and practices at the level of individual, formal bureaucracies without meaningfully contextualising these within broader forms of social organisation of concern to classic organisation theory (Blau and Scott, 1963).

However, CGT as a new critical method combining ethnography with substantive theoretical work and/or CDA quite arguably has broader purchase than serving to operationalise CPE. Indeed, CGT holds promise for any ethnographic research that aims to critically reconstruct (as opposed to naïvely discover) theory from empirical data as

long as it accepts the ontological and epistemological foundations of critical realism. CGT centres on the retroductive movement from abstract and simple to concrete and complex and back. As such, it is designed to grasp the dialectics between macro and micro, structure and agency, global and local and discourse and praxis. Employing abstract pre-conceptions, for instance the middle-range concepts proposed by CPE, as guides, or soft hypotheses, CGT can through ethnographic research generate empirically grounded accounts of the everyday and put these into dialogue with existing theory in order to deepen, broaden and refine our theoretical knowledge, challenge existing explanations, or find new connections. Constituting integral parts of the process, CGT's critical credentials are strong. However, our conceptual and methodological discussion has introduced CGT and taken first steps towards its elaboration without demonstrating its functionality in practice by applying it to a specific case study, which is beyond the scope of this paper (see, however, Belfrage and Hauf, 2013). Empirical research that employs CGT as a core method, whether in the context of CPE or another theoretical approach, will show the usefulness of this method as it helps critical theorists to better ground their research empirically, discourse analysts to expand their considerations of the everyday and ethnographers to better contextualise their research theoretically and societally.

Notes

1. Semiosis is typically used to signify the social production of meaning in general, while discourse can either relate to mid-range discursive formations or more concrete aspects of the discursive construction of the social.
2. CPE draws on the early Parisian Regulation Approach (see for an earlier summary Jessop 1990). It thus inherits the rejection of the treatment of "human agents [as] the mere […] passive supports […] of the self-reproduction of the capitalist mode of production" (Jessop and Sum, 2006, pp. 37, 215).
3. Gramsci used the concept "historical bloc" to describe the ways in which social hegemony is organised and reproduced. A stable, hegemonic configuration of social relations requires different class fractions from both ruling and subaltern classes to form an alliance – the historical bloc – that allows the dominant class fraction to represent their particular interests in universal terms. The integral state "maintains cohesion and identity within the bloc through the propagation of a common culture" (Cox, 1983, p. 168). This concept, thus, also captures the interconnectivity of economic, political and cultural dimensions within social hegemony.
4. According to Jessop (1990, pp. 198-199), "an 'accumulation strategy' defines a specific economic 'growth model' complete with its various extra-economic preconditions and also outlines a general strategy appropriate to its realisation. To succeed, such a model must unify the different moments in the circuit of capital under the hegemony of one fraction". Accumulation strategies are therefore linked to hegemonic projects, which involve "the mobilisation of support behind a concrete, national-popular programme of action which asserts a general interest in the pursuit of objectives that advance the long-term interests of the hegemonic class (fraction)" (Jessop, 1990, p. 208).

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