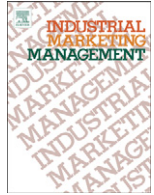




Contents lists available at SciVerse ScienceDirect

## Industrial Marketing Management



## On the promise and premises of a Darwinian theory in research on business relationships

Tobias Johansson\*, Johan Kask<sup>1</sup>

Örebro University Business School, 701 82 Örebro, Sweden

### ARTICLE INFO

#### Article history:

Received 7 October 2011

Received in revised form 12 December 2012

Accepted 24 December 2012

Available online xxxx

#### Keywords:

Darwinism

Scientific explanations

Evolution

Generalized Darwinism

Business relationships

### ABSTRACT

The use of 'Darwinism' and generalizations of Darwin's idea outside the domain of its traditional biological application are advancing. In the field of industrial marketing, this has appeared mostly in the form of an interest in using biological analogies or isolated parts of a fuller Darwinian theory when theorizing about business relationships. In this article, we combine the general advancements of Darwinism in social science with the recent Darwinian-inspired theorizing on business relationships. The article reviews business relationship studies within marketing that explicitly uses Darwinism and results in the identification of six gaps and directions for future research. The most significant implication of the review is that investigations into the evolution of business relationships should account not only for the mechanism of selection but also for the mechanisms of variation and retention, in order to take proper account of the Darwinian explanatory paradigm. By suggesting 'generalized Darwinism' as an overriding framework, we argue that it is time to go from merely flirting with some Darwinian ideas to explicitly exploring the promise of using the Darwinian *explanans* in research on business relationships. We put forward suggestions on how central Darwinian mechanisms could be warranted and conceptualized in a theory explaining the evolution of business relationships.

© 2013 Elsevier Inc. All rights reserved.

### 1. Introduction

Described as 'the single best idea that anyone has ever had' (Dennett, 1995, p. 21), Charles Darwin's epoch-making theory of evolution is experiencing a revival in the social sciences. It is not a movement of biology imperialism (Penrose, 1952), an extreme version of laissez-faire economics (cf. Brennan, 2006), or optimization by Aldersonian functionalism (Alderson, 1965) but an attempt to go beyond traditional Newtonian and Cartesian theories of cause and effect in closed systems—to explain how institutions and practices evolve in open-ended social and economic systems—that is the *primus motor* in Darwinian theorizing in the social sciences (Aldrich, 1999; Hodgson & Knudsen, 2010; Veblen, 1898). This development has also spread to marketing, and in some recent articles in core marketing journals there has been explicit use of Darwinian theorizing to account for the evolution of business relationships. Perhaps the article with the highest profile is that by Eyuboglu and Buja (2007) in *Journal of Marketing*, dealing with selection and survival—and what they term a quasi-Darwinism—of business relationships. Another marketing research paper that draws explicitly on Darwinism is the article by Palmer

(2000), in which he shows (by modeling) sources of evolutionarily stable cooperative behavior in buyer–seller relationships. A third recent Darwinian business relationship research contribution is that by Wilkinson, Young, and Freytag (2005), which builds on biological mating theory and sexual selection theory when exploring the selection of business partners. Although these articles show a trend in acceptance of an alternative view of business relationships drawing on Darwinian concepts in an explicit sense, little effort has been made in these works to show how an extended Darwinian theory of these phenomena could be built up in harmony with underlying commitments. The full story, as we see it, has not been told.

While Darwinian theory in economics and the management sciences in the past were mainly developed within the framework of evolutionary economics (e.g., Nelson & Winter, 1982; Veblen, 1898), the 'evolutionary approach', as a more general concept, can now be found in many of the management sciences (e.g., Breslin, 2008, 2011; Burgelman, 1991; Johansson & Siverbo, 2009; McKelvey & Aldrich, 1983; Stoelhorst, 2008c). But, as shown by for example Breslin (2008) in his review of the use of evolutionary theory in the entrepreneurship literature, the domain of 'evolutionary theory' is rather heterogeneous and may mean everything from simple dynamism and learning to explicit use of Darwinian theory and concepts to account for the evolution of markets and firms. It is the latter direction—explicit Darwinism—that is the subject of this article. There is a major difference between using the concept of evolution as an analogy and source of inspiration for

\* Corresponding author. Tel.: +46 19303384.

E-mail addresses: tobias.johansson@oru.se (T. Johansson), johan.kask@oru.se (J. Kask).

<sup>1</sup> Tel.: +46 19303858.

theory about dynamic developments and actually developing an evolutionary theory that is Darwinian. Merely stating that selection of firms may be a force that explains the evolution in markets and of firms (e.g., Alchian, 1950; Hannan & Freeman, 1977), or stating that the competitive advantage of firms depends on the capabilities it has (e.g., Penrose, 1959), or using the Darwinian concepts of variation, selection, and retention as an inspiration for a dynamic theory (e.g., Burgelman, 1991) does not necessarily make such theory evolutionary in a Darwinian sense. The Darwinian paradigm rests upon three specific *explananda*, phenomena that need to be explained, and one generic *explanans* (Stoelhorst, 2008b) or mode of explanation.<sup>2</sup> The Darwinian *explananda* and *explanans* enable and limit what can be explained, and how such an explanation is built up. With that in mind, we review business relationship studies within the marketing literature, stating that they draw on Darwinism to account for the emergence and survival of business relationships. They are not just examples of studies applying ‘evolutionary theory’ in the more general sense (such examples are numerous), but are pieces of work that explicitly state that they draw on a Darwinian mode of explanation.<sup>3</sup>

The three articles selected for review represent a novel and interesting direction in the research on business relationships in the marketing literature. In this article, our aim is to present and critically evaluate the state of the Darwinian theorizing in these marketing articles, and to contribute to the development of a Darwinian theory of evolution of business relationships. This article contributes by explicating the Darwinian *explananda* and *explanans* and their links with the phenomena of business relationship evolution. We identify six gaps and directions for future research. One major implication arising from this article is that it becomes obvious that the present Darwinian theorizing on business relationships also needs to more explicitly account for the mechanisms of retention and variation, and not just selection, to properly account for the full Darwinian *explanans*. By incorporating and specifying these mechanisms (variation and retention) as they could be used in a Darwinian theory of business relationships, we contribute to the development of a Darwinian theory of business relationship evolution.

In the next section, we present what we mean is the essence of the generic Darwinian *explananda* and *explanans*, followed by a very condensed picture of the recent Darwinian theorizing in the field of business relationship studies in marketing literature, where we immediately identify and argue that the examples presented only partially contribute to a Darwinian understanding of evolution of business relationships, and suggest ‘generalized Darwinism’ (GD) as a way forward. The discussion in this section is based on a full review of the three articles that is presented in Table 1. Table 1 also contains additional material to trace theoretical gaps and conclusions that will be used for analysis throughout the rest of the article. After that, we elaborate on the Darwinian concepts of retention, variation, and selection, and their premises and promise status in research on business relationships. We then discuss the ways in which the reviewed works do and do not comply with the generic Darwinian *explananda* and *explanans*, and draw conclusions for the future of a Darwinian theory of business relationships. The paper ends with a concluding discussion.

<sup>2</sup> *Explanandum* (singular) is the concept or phenomenon that needs to be explained. *Explanans* (singular) is the associated explanation, the class of concepts and mechanisms, and the explanatory premises that account for the phenomenon (Hempel & Oppenheim, 1948).

<sup>3</sup> These three articles are the outcome of a search involving all articles published in the 2000–2011 period in the 30 best-ranked marketing journals (in the ranking by Hult, Neese, & Bashaw, 1997), and with the exception of consumer behavior studies that draw on evolutionary biology. The three works reviewed here are not only prime examples, but, as far as we know, the only works that explicitly make use of Darwinism, or parts thereof, in marketing.

## 2. The *explananda* and *explanans* of Darwinism

Ever since Darwin published his revolutionary idea in the mid-1800s, there have been various attempts<sup>4</sup> to interpret the core Darwinian arguments in different areas of the social sciences (e.g., Nelson & Winter, 1982; Veblen, 1898). However, in the past decade the research community has witnessed an intense development in the application of a Darwinian ontology and theory in the social sciences (for recent debates, see Aldrich et al., 2008; Hodgson & Knudsen, 2004, 2006). These ‘generalized Darwinists’ (e.g., Aldrich et al., 2008; Hodgson & Knudsen, 2006; Johansson & Siverbo, 2009; Stoelhorst, 2008a, 2008c) argue that at an abstract level, the evolutionary process is the same for all open-ended systems composed of interacting elements. However, the details of the internal mechanisms required for the specific explanation may differ substantially (Hodgson & Knudsen, 2004). In other words, evolution in nature and evolution in society share the same basic *explananda* and *explanans* at a higher level, but the detailed and lower-level theories or mechanisms that explain the sub-elements of evolution differ.

Before we can discuss the promise and premises of Darwinism in a relevant way, we must first specify its *explananda*: the phenomena that Darwinism should explain. A generalized version of Darwinism rests upon some axiomatic fundamentals of ontological nature that are widely accepted (by both advocates and critics of the generalization project) throughout socio-economic evolutionary theorizing. Despite the fact that there is still a lack of consensus regarding whether or not all evolutionary processes are ontologically similar enough to be captured by an identical Darwinian *explanans* (argued by Aldrich et al., 2008; Hodgson, 2002), there is no disagreement that in all evolution in open-ended systems there are modifications, continuity, and evolution at intertwined levels (Hodgson, 2004b; Klaes, 2004). The ‘continuity thesis’ (Witt, 2003, 2004) states that an evolutionary theory, explicitly Darwinian or not, is intended to explain how today’s varieties are cumulatively derived from earlier developmental stages,<sup>5</sup> and, multi-level evolution treats evolution of systems (e.g. business relationships) as being tied to, and causally related to the evolution of its subsystems (e.g. firms) (Dopfer & Potts, 2004; Maynard Smith & Szathmari, 1997; Sober & Wilson, 1998). These commitments are fully compatible with Darwin’s (1859) original ideas that were based on the proposal that all species are causal outcomes of evolution and subject to cumulative modifications. Lastly, Darwinism also includes a commitment to ‘population thinking’ (Hodgson, 2004b; Stoelhorst, 2008b). Population thinking requires that entities should be analyzed not in isolation, but rather as members of a set of similar, but not identical, competing entities. Population thinking stresses the importance of variation.

The *explananda* of Darwinism are not about explaining evolution in its widest sense. The first *explanandum* is adaptive fit, i.e. how entities or populations of entities become adapted to the environment they operate in due to their struggle for existence. It is important to note that the outcome of evolutionary molding has no teleology (Stoelhorst, 2008a) and is neither moral nor just (Hodgson & Knudsen, 2006). Adaptation in the Darwinian sense is merely the consequence of a systematic selective retention of the viable entities in a population (Stoelhorst, 2008a) and does not imply progress. The second *explanandum* is complexity emergence (Dennett, 1995), i.e. how—cumulatively—an open-ended system may become more complex as it interacts with its

<sup>4</sup> These attempts do not include the racist, sexist, and elitist misunderstandings and misuses of Darwin’s theory through history that are often (mis)labeled as ‘social Darwinism’.

<sup>5</sup> This principle does not state that evolution necessarily has a constant rate of small but gradual changes. Evolution can also occur along a pattern of punctuated equilibriums (Eldredge & Gould, 1972; Stoelhorst, 2005) where major evolutionary steps occur within limited eras of intense transformation followed by eras of not much change at all.

Download English Version:

<https://daneshyari.com/en/article/10496051>

Download Persian Version:

<https://daneshyari.com/article/10496051>

[Daneshyari.com](https://daneshyari.com)