# Contexts & Complexities:
## *The Value of Realist Approaches in Business & Management Evaluation Research*

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**Summary**

Evaluation research focuses on generating information through systematic inquiry to inform decision-making or practice development; this real-world focus can be considered applied research (Barker et al., 2002, p.198; Kellaghan, 2010). While providing valuable insights, traditional evaluation methods (such as process or outcome evaluations) often fall short of capturing the complexities and contexts that characterise and influence organisational dynamics. Thus, limiting the ability of organisations to identify, adjust and respond to challenges.

Given that business and management environments are often characterised by complexity and change, this paper explores the potential of realist evaluation in examining business and management practices, outlining the value of this methodology and emphasising its ability to contextualise and navigate complex phenomena. The paper explores the foundational principles of realist evaluation, its methodological framework, and, most importantly, examines its potential to enrich our understanding of organisational phenomena, concluding that realist evaluation does not merely add to the research toolkit but rather enhances our capacity to generate insights that are both theoretically and practically relevant.

**Track: Research Methodology**

**Word Count: 1998**

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**Introduction**

Realist evaluation is a theory-driven method-neutral approach concerned with developing and testing 'programme theories', multiple causal chains describing a particular phenomenon's context, mechanisms, and outcomes (Renmans and Castellano Pleguezuelo, 2023). Realist evaluation goes beyond asking 'does it work' by asking 'what works, how, in which conditions and for whom' (Pawson and Tilley, 1997, p.210).

Programme theories are the assumptions made about how, why, and in what contexts an intervention is expected to work (Marchal et al., 2018, p.83), predicated on the idea that these theories are the plans that policymakers and stakeholders make about how an intervention (for example, leadership in organisational settings) will achieve its intended outcomes (Greenhalgh et al., 2015; Wong et al., 2017). Therefore, the foundation of realist evaluation is to make explicit the underpinning theories of 'programmes' (Pawson and Tilley, 1997; Wong et al., 2017). In making the underpinning theories of programmes explicit, realist evaluation seeks to reveal the underlying mechanisms that lead to observed outcomes and the contextual conditions that enabled this.

**Realist Evaluation**

Realist evaluation has its foundation in realism (Pawson and Tilley, 1997). Accordingly, realist evaluation is aligned with and adopts principles from other realist positions (Pawson, 2013), most notably critical realism and scientific realism. Accordingly, a central tenet of realist philosophy is that what is real, ontology, is not reducible to what can be known, epistemology (Fletcher, 2017, p.182).

Critical realism emphasises the importance of understanding the social context in which knowledge is produced, arguing that our understanding of social reality is always situated within a particular social and historical context and shapes how we perceive and interpret the world (Archer et al., 2016). Realist evaluation is rooted in a post-positivist standpoint (Pawson, 2006), occupying the space between positivist and constructivist paradigms, combining and reconciling 'ontological realism and epistemological interpretivism' (Wiltshire, 2018, p.8). In other words, it shares the positivist view that reality exists independent of our knowledge or observation of it (although it rejects the ideas of universal truths or generalisability) but adopts a constructivist position that our understanding of reality is fallible, incomplete, and mediated (via language or context, for example) (Oliver, 2012). This understanding of reality, therefore, requires realist evaluation to move beyond observational understandings of the world to provide explanations (Easton, 2010).

Critical realism asserts that reality consists of three layers: the empirical, the actual, and the real, as described in Figure 1, and that an independent reality exists, rejecting the idea of multiple realities, even if our knowledge of that reality is incomplete (Maxwell, 2012). Causal mechanisms (often invisible) exist in the real layer and create, constrain, or cause the phenomena we observe in the empirical layer (Mukumbang et al., 2020, p.489). At the actual level, events, non-events, or phenomena occur regardless of our experience or interpretation – they exist despite our inability to perceive or experience them. At the empirical layer, we experience and interpret phenomena; actions, ideas, and meaning occur here. In this view, if something has real effects that can be experienced and interpreted, it is considered real. Realist evaluation supports understanding the 'real' by exploring the empirical (Schiller, 2016). Or, as Maxwell (2012, p.18) describes this:

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*'Concepts, meanings and intentions are as real as rocks; they are just not as accessible to direct observation and description as rocks…we have no way of directly observing them, and our claims about them are based on various sorts of indirect evidence'.*

Accordingly, social constructs (such as leadership) can have real effects and are, therefore, real (Westhorp, 2014). To explore and explain how outcomes are achieved, identifying these underlying and often unobservable mechanisms is required (Westhorp, 2014), referred to as generative causation.
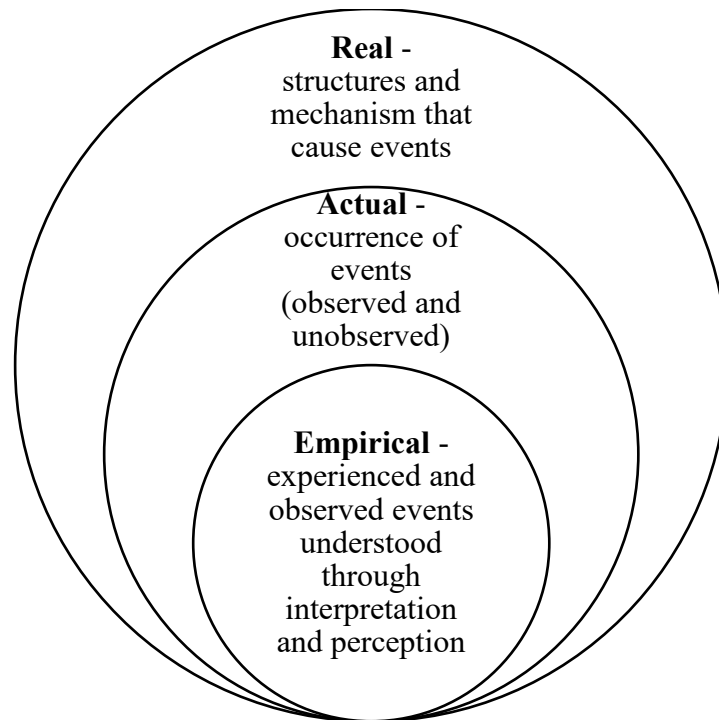
**Real** -
structures and
mechanism that
cause events

**Actual** -
occurrence of
events
(observed and
unobserved)

**Empirical** -
experienced and
observed events
understood
through
interpretation
and perception

*Figure 1: Ontological Depth [Source: Authors own work]*

In line with the stratified view of reality, realist evaluation views causation as generative, considering 'why, and in what way, does x cause y?' as opposed to a successionist view of causation, which considers 'does x cause y?' (Smeets et al., 2022). This view of causation is important for business and management research because these environments are often characterised by complexity and constant change. A generative view of causation acknowledges this dynamism and allows researchers to explore how causal mechanisms operate in different contexts and over time, an approach aligned with Pettigrew's (1997) understanding that organisational phenomena are often not linear or static but are influenced by many interacting factors.

Pawson (2013) explains generative causation utilising a firework analogy, suggesting that what we observe in the empirical layer of reality (exploding fireworks) is because of events within the actual layer (exploding fireworks in the presence of flames), which are triggered by casual mechanisms in the real layer (exploding fireworks in the presence of flames caused by the gunpowder composition of fireworks). However, some causal mechanisms may remain latent and, therefore, never trigger an event; the fireworks will not explode unless the right conditions exist – dampness, lack of oxygen, and too little heat, will all affect the 'activation' of the mechanism (Dalkin et al., 2015). In other words, 'given a generative mechanism (M)

and a conducive context (C) for its triggering, we can expect to see and measure specific observations (O) and events' (Connelly, 2007, p.936). Pawson and Tilly (1997) summarise this in the heuristic Context + Mechanism = Outcome (C+M=O). Therefore, generative causation is the idea that outcomes are not simply the result of a direct cause-and-effect relationship between the intervention and the outcome but rather arise from the interaction of contextual factors, mechanisms, and outcomes.

Dalkin et al. (2015, p.5) argue that because most complex social programmes or interventions involve the volition or reasoning of its participants, which they claim is 'rarely activated via an on/off switch, triggered in favourable conditions', a more appropriate analogy might be one of a light dimmer switch where 'intensity varies in line with an ever-evolving context' which incorporates the notion that individual reasoning is a continuum which then leads to a gradation of outcome patterns. Accordingly, realist evaluation assumes objective, context-independent mechanisms underlie programme outcomes and may operate differently in different contexts. Despite this, they are real and can be identified and understood through theory-building and testing. However, there is a recognition that this knowledge will always be incomplete, consistent with a realist view of reality (Sayer and Morgan, 2022).

## Contexts, Mechanisms, and Outcomes

Mechanisms are causal processes or forces fundamental to realist explanations (Pawson, 2006); they can be understood as '… underlying entities, processes, or structures which operate in particular contexts to generate outcomes of interest' that are often hidden, sensitive to variations in context, and generate outcomes (Astbury and Leeuw, 2010, p.368). Pawson and Tilley (1997) contend that programmes are not responsible for changes; instead, programme outcomes are achieved based on how those within programmes respond to the resources, ideas, and practices (mechanisms) programmes introduce. More specifically, mechanisms can be seen as the combination of resources created by the actions of a programme and the cognitive or affective reasoning response of participants to that resource (Jagosh et al., 2015) as opposed to the activities of an intervention (Astbury and Leeuw, 2010).

Within realist evaluations, 'context describes those features of situations into which programmes are introduced that affect the operation of programme mechanisms' (RAMESES II, 2017, p.1). More broadly, context refers to the 'backdrop' or conditions in which the area under investigation is introduced, for example, historical development, cultural norms or expectations, and geography (Jagosh et al., 2015, p.3). In the same way that multiple mechanisms can exist within a programme, numerous contexts can also exist, this can lead to programmes producing outcome patterns; these outcomes may be immediate, intermediate, or long-term  (Jagosh et al., 2015) and depending on the context, can be 'x' outcomes in one setting and 'y' outcomes in another' (Westhorp et al., 2011, p.5).

## Context – Mechanism – Outcome Configurations

Contexts, mechanisms, and outcomes configurations (CMOCs) provide a testable proposition that outlines which mechanisms and contexts lead to which outcomes (Pawson and Tilley, 1997; Pawson, 2013). Figure 2 provides an example representation of a CMO configuration where the outcome is generated by a specific mechanism, which, in turn, is triggered by the context within which the phenomena is operating – so, context + mechanism = outcome. CMO configurations combine to create programme theories, which are tested and refined through

empirical data collection and presented as realist evaluation findings (Pawson and Tilley, 1997).

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┌──────────────────────────────────────────────┐
│                  Context (C)                   │
│   (e.g., Organisational Culture, Market        │
│    Conditions, Leadership Style,               │
│    Regulatory Environment)                     │
└──────────────────────────────────────────────┘
                        ▼
┌──────────────────────────────────────────────┐
│           Mechanism Resource (MRes)            │
│  (e.g., Decision-Making Processes,             │
│   Communication Strategies, Leadership         │
│   Interventions)                               │
│                                                │
│          Mechanism Reasoning (MRea)            │
│  (e.g., Employee Engagement, Motivation        │
│   Enhancement, Trust)                          │
└──────────────────────────────────────────────┘
                        ▼
┌──────────────────────────────────────────────┐
│                  Outcome (O)                   │
│  (e.g., Employee Satisfaction,                 │
│   Organisational Performance, Innovation,      │
│   Market Share)                                │
└──────────────────────────────────────────────┘
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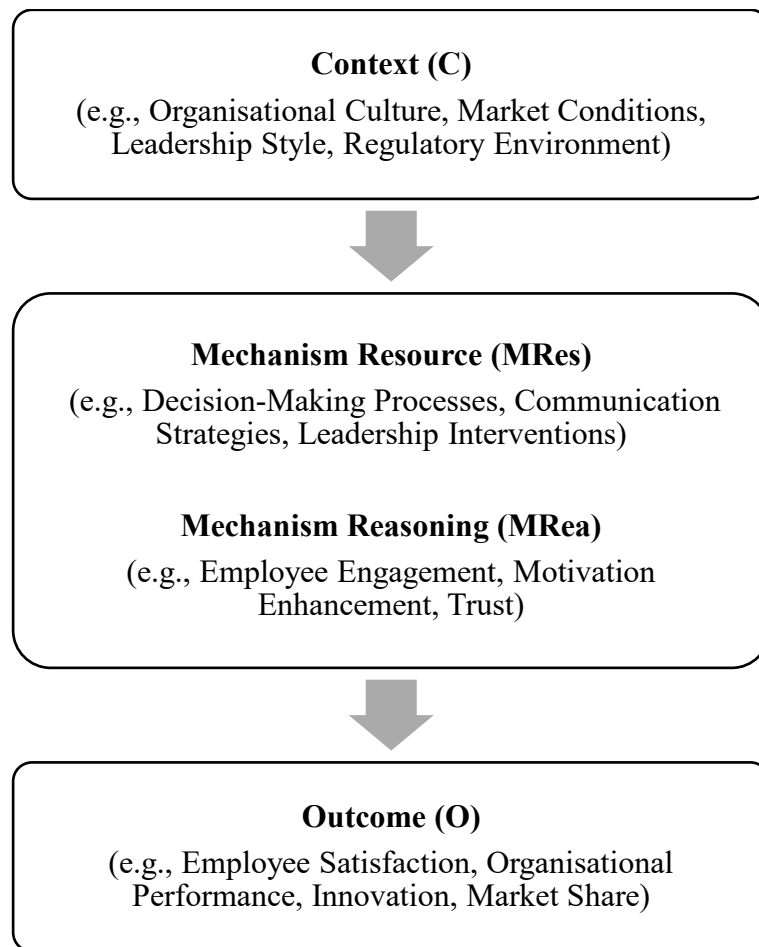
*Figure 2: Example Context-Mechanism-Outcome Configurations (CMOC) [Source: Authors own work]*

**Determining CMO Configurations**

Realist evaluation assumes that mechanisms (often hidden) produce outcomes in context and attempts to unearth these mechanisms to make causal claims about a phenomenon; a tool to support this analysis is necessary (Fletcher, 2017). Retroduction, as a form of analysis that is distinct from but involves inductive, deductive, and abductive reasoning, supports analysis of the conditions necessary for events to take place (Danermark et al., 2001; Mukumbang et al., 2020) by 'going back from, below, or behind observed patterns or regularities to discover what produces them' (Lewis-Beck et al., 2004, p.972). More specifically, retroduction allows realist evaluators to 'identify the necessary contextual conditions for a particular causal mechanism to take effect and to result in the empirical trends observed' (Fletcher, 2017, p.189).

**Value to Business and Management Studies**

Realist evaluation has been widely used in public policy and healthcare research and evaluation studies, including healthcare management (for specific examples, please see Steiner et al., 2023; Marchal et al., 2010; Greenhalgh et al., 2009) and specific standards

support robust reporting and quality criteria for realist evaluation (Wong et al., 2017). However, to date, this methodology has not been adopted within a business and management context.

Business and Management environments are often complex and dynamic; realist evaluation examines this complexity, unpicking interventions or practices 'that contain several interacting components' (Craig et al., 2008, p.1). Moreover, realist evaluation has a specific focus on explanation, with philosophical underpinnings that reference underlying (social) structures and generative (social) mechanisms (Renmans et al., 2022, p.38), offering a means of explaining how different components interact within complex business and management environments that go beyond merely assessing outcomes but delves into underlying mechanisms to provide context-specific explanations of how and why these interactions work. Finally, given the fast-changing pace of business and management environments, the generative view of causation in realist evaluations aligns with a recognition that programmes and interventions do not operate in a vacuum but are influenced by a variety of factors that interact with one another in complex and often unpredictable ways (Jagosh et al., 2022).

**Conclusion**

Realist evaluation, rooted in the philosophy of critical realism, offers a powerful lens through which to explore the complexities of organisational dynamics aligning with the multifaceted nature of business and management environments. This approach goes beyond the conventional 'does it work' approach, delving into the more insightful questions of 'what works, how, in which conditions, and for whom'. Its ability to uncover context-mechanism-outcome configurations provides a rigorous framework for understanding the nuanced aspects of business and management to provide both theoretical and practical applications in real-world settings.

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