Articles

Advancing dialogue in service-dominant logic: Collective reframing supported by framed arrangement

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Abstract

While dialogue is considered an ideal interaction in value co-creation theories, extant studies have not looked at how it is realized in the value co-creation process. Therefore, this paper empirically studies better ways to realize dialogue based on a framework connecting service-dominant logic and two key concepts of actor-network theory: "performativity" and "arrangement." We confirm a process under which a statement that declares the existence of dialogue reshapes business arrangements. Finally, an arrangement strongly *framed* by the statement better contributes to the actualization of dialogue, that is, collective *reframing*. We imply that if business people want to enhance the possibility of actualizing dialogue, the framing of business arrangements by investment and selection is needed. Finally, we indicate the contradictions contained within the business dialogue, as revealed in the empirical analysis and interpretation based on our framework.

Keywords : Service-dominant logic, Dialogue, Performativity, Arrangement, Investment, Selection

1. Introduction

To deal with a problem in a complicated world we endeavor to curtail received information and simplify causal chains. This simplification leads to feasible solutions. As per Niklas Luhmann's (1984) argument in one of his early studies (Borsh, 2011, p. 7), the "reduction of complexity," which is the ultimate purpose to maintaining a "system," makes us build and develop a guideline for tackling reality. On one hand, the systems inciting collaborative behaviors, such as "co-creation," "co-operation," "dialogue," "co-innovation," and "open innovation," which have recently been paid attention in academic fields of management and marketing (Prahalad and Ramaswamy, 2004; Chesbrough, Vanhaverbeke, and West, 2006; Bushe and Marshak, 2015), should also be considered as projects of human beings to work together and challenge the modern world's complex reality. On the other

hand, the challenge must face another reality, where the systems that push collaborative behaviors are bounded by Luhmann's rule. In other words, a process based on collaborative behaviors would inevitably include the *exclusion* of some material, space, and someone that would hinder the effort of reducing complexity. However, few studies show a deep concern for these two ways of treating reality, partly because of the lack of in-depth empirical studies. Therefore, a detailed exploration of the process of creating and developing a system to encourage collaborative behaviors would provide a good empirical analysis that would add to the literature on this theoretical issue.

This article focuses on a marketing world-view, service-dominant logic: SDL（Vargo and Lusch, 2004）and reviews a core concept of SDL — dialogue. SDL consistently sees business practice, such as payment of money, provision and receipt of services, and use of goods as "service" and understands "value" as co-created by the service interaction between a resource integrator and the resources themselves.[1] In the theoretical works on SDL, the "dialogue" between them is seen as the ideal interaction（Grönroos, 2000; Vargo and Lusch, 2017）. A clearer definition of dialogue in these theories was given by Ballantyne and Varey; they defined it as "an interactive process of leaning together" of value co-creators（2006: 225）. This collective learning involves "constructing understanding" of each other's perspectives, disrupting assumptions, and "creating common agreement"（Ballantyne and Varey, 2006: 229）. In other words, dialogue is a collective reframing through communicational inquiry.

Nevertheless, the subsequent theoretical and empirical studies on these theories have not detailed the issue of dialogue. While dialogue is considered the ideal interaction in these theories, they have not looked at "how" it is realized in the value co-creation process. Therefore, the essence of co-creation theories is under-researched and the practical application of dialogue has not been sufficiently explored.

To study the "how," this paper combines value co-creation theory, SDL in marketing, and relevant concepts, such as "performativity" and "arrangement," elaborated by the actor-network theory（ANT）in sociology. According to a leading ANT researcher, Michel Callon（2007）, performativity is the situation where theories, statements, ideals, or concepts（i.e., the use of "ideas" includes all of these）realize themselves in an arrangement framed（reconstituted）by them. It is not humans and things working independently, but

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[1] It is the "service" provided by other entities or service provider(s).

this arrangement — a heterogenic assemblage of humans and things — that gives rise to competencies. The ideas do not realize themselves as "self-fulfilling prophecies," but the performative practices of the agency they affect frame an arrangement in which the agency lives and the framed arrangement contributes to the ideas being realized. When we incorporate these concepts into the idea of dialogue, we logically and empirically find an answer to how dialogue is realized in the value co-creation process.

One of the authors encountered a case — about how dialogue can be realized — that we can study by means of the framework and also derive its theoretical implications. The empirical study serves as evidence for our argument and reveals the authors' steps in reaching the argument by observing a consulting team that co-creates products and service plans with manufacturers. The dialogical characteristic of the team is detailed in Kitagawa（2017）. To reach the research objective, one of the authors of this paper transcribed a business meeting between the team and a client firm to clearly show how the meeting becomes a "dialogue" in the sense mentioned by Ballantyne and Varey（2006）. This was read by the team and the president of the company to which the team belongs. Interestingly, around six months from the initial analysis, dialogues could better be realized in projects, among the team, and in its client firms. We thus reviewed the practices of the team over the six months, finding that it adopted a "statement," that is, "we are the professional team of dialogue." The foundations of this statement are the paper of Kitagawa（2017）and an outcome created by the team and another researcher. Special value was attached to the word "dialogue" in the statement by the referrences of Kitagawa（2017）to Ballantyne and Varey（2006）and other well-known books on system therapy（Mindell, 1989; Seikkula and Arnkil, 2006）, all of which see dialogue as the ideal interaction. We found that the team strongly enacted the statement. At this time, we reviewed its practices from the viewpoints of performativity and arrangement. Then, we recognized the statement as being supported by the academic theories of dialogue, and gradually reconstituted the business arrangement, including the team that realized itself within the arrangement. In other words, the dialogical character, which had been merely *an* aspect of the arrangement, was highlighted by the research and statement, thus having become *the* dominant part of the arrangement. The framing or reconstitution of the arrangement is, specifically, in the inclusions and *exclusions* of team members, clients, and collaborators, and departs from a space. The code of conduct of the reconstruction is the statement.

Based on an empirical study, this paper shows *a* way to better realize dialogue, starting from the collaborative observations of researchers and practitioners, which may be effective in translating an aspect of a dialogue in a business arrangement, in which the practitioners are involved, to a statement, a document, or a picture which not only declares the existence of dialogue but is also customized for targeting practitioners. Along the lines of the agreed statement, they continue to the framing of the arrangement. Finally, the arrangement strongly *framed* by the statement better serves the realization of dialogue.

Then, this paper focuses on the contradictions in the empirical study, interpreted by the framework of this paper, in terms of dialogue, performativity, and arrangement. The strongly *framed* arrangement supports dialogue, that is, collective *reframing*. This paper also touches on the risk of the arrangement that supports dialogue.

The remainder of this paper will proceed as follows. The second section presents the concepts utilized. The third section shows the empirical study. The fourth presents the arguments derived from the empirical study, and the concluding remarks touch on the theoretical contradiction between dialogue and arrangement.

2. Concepts

This section explains three concepts — dialogue, performativity, and arrangement. Combined, they are used as a framework for interpreting the case. Finally, we recognize that the framework has empirical and theoretical implications that may advance the issue of dialogue.

2.1. Dialogue

There are few studies on dialogue in SDL that focus on the interactive aspect of systems. According to Ballantyne and Varey (2006: 225), dialogue is "an interactive process of learning together." Therefore, to materialize dialogue, it is not enough that members merely listen and inform; they also need to "participate" (Bohm, 2014) in a process that has the following three elements.[2] First, every participant improves the understanding of a perspective, a framework, or assumptions of other participants. Second, through

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[2] Christian Grönroos, the pioneer of the "service logic" of the Nordic school, expands the meaning of dialogue. His "dialogue," in a broad sense, means the entire communicational process of marketing↗

collective inquiry, the participants verbalize the "taken-for-granted and unspoken assumptions" of each participant and disrupt them（Ballantyne and Varey, 2006: 230）. Finally, the participants reconstitute new agreements, perspectives, assumptions, or frameworks shared by all participants. This process is called the collective reframing of frameworks for the participants that comprise a team. Therefore, the（minds of） participants get transformed through dialogue. As a result of dialogue, they develop not only the framework itself but also their collective competency to better use it for co-creating more value. As such, dialogue is "the fundamental source of the comparative advantage"（Ballantyne and Varey, 2006: 231）.[3]

While Ballantyne and Varey（2006）clearly define the concept of dialogue and consider it the ideal for the value co-creation process, they do not explain how we can realize highly advanced interactions in marketing. Subsequent papers are similar in this respect. Aarikka-Stenroos and Jaakkola（2012）and McColl-Kennedy et al.（2012）show a cyclical set of operations of value co-creation（e.g., "co-ideation," "co-valuation," and "co-diagnosing"）and state that successful firms process these operations. While each operation may include a dialogical interaction between firms and other participants, extant studies do not identify how their sophisticated collective abilities of co-processing operations have developed.

2.2. Performativity and arrangement

Constructing a framework to study how dialogue in SDL is better realized, this paper combines the concepts of "performativity" and "arrangement" with the concept of dialogue in SDL. The former two concepts have been elaborated by ANT. A leading researcher of this theory, Michel Callon（1998）, asserted that economic sciences, including theories of business administration, marketing, and accounting, contributed to the construction of markets. The "contribution" of the economic sciences to shape the reality to which they

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↘where effects of "planned communication" and effects of "product and service-based interactions between a supplier and its customers" have joint consistency and thus support each other（Grönroos, 2000: 5）. Through this process, the confidence of the customers in the supplier is enhanced, and then, "the required extra value of the relationship is created and favorable word of mouth follows"（Grönroos, 2000: 5）. After Grönroos（2000）, we cannot identify any study on the issue of dialogue in this broad sense. However, Bacile et al.（2014）may provide a valid case.

[3]　The studies of Varey（2003）and Beckett and Nayak（2008: 309–310）are such cases.

refer is "performativity." Kjellberg and Helgesson (2006) introduced the concept in marketing. However, the study of "performativity" in Callon (1998), which has been much referenced by marketing theorists, does not pay enough attention to the question of what is reshaped by the science and, then, goes on to support the realization of the science in the real world. His answer is that a sociotechnical "arrangement,"[4] instead of an abstract "reality" (Callon, 2007: 319–321), is reshaped. Here, arrangement means a "combination of heterogeneous elements that have been carefully adjusted [to] one another" (Callon, 2007: 319). The combination of heterogeneous elements means non-separable agency, comprising humans and things (e.g., materials, technologies, ideas, documents, rules, and norms). The word "carefully adjusted" implies a spatial array of humans and things.

When sciences contribute to frame an arrangement, they describe and "enjoy high degree of verisimilitude" within the arrangement they frame (Callon, 2007: 330). Performativity or, more adequately, the "performation" of sciences, is the actualization process of the arrangement the sciences describe. This process involves trials and errors, struggles of multiple stakeholders, and the investment required to create it (Callon, 2007: 320, 330).

Again, in ANT studies, a new social science is actualized within the arrangement framed by the science. This is the reason the two concepts of performativity and arrangement have been developed together in ANT studies. However, marketing theory studies on the concept of performativity have not stressed the other concept in this pair — arrangement (Andersson et al., 2008). Thus, we cannot clearly understand the abovementioned reason for the co-development of the two concepts in ANT studies (Nenonen et al., 2014, p. 278). While Kjellberg and Helgesson (2007: 149) touched on some instruments that support the various activities contributing to the formation of markets, this paper directly identifies how the heterogenic arrangement of humans, other entities,

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[4] This paper has a positive reason for not using the term "service ecosystem" and choosing "arrangement" instead. The former is a key term in SDL and can be defined as "a *relatively self-contained, self-adjusting system of resource-integrating actors that are connected by shared institutional logics and mutual value creation through service exchange*" (Vargo and Lusch, 2016: 161; italics in original). As the main SDL theorists pointed out, the service ecosystem is close to the arrangement in ANT (Vargo and Lusch, 2016: 18). However, this paper uses arrangement to stress that spatial array affects the capabilities of agency. While the concept "service ecosystem" may involve the element of space, we can express it directly when we use arrangement.

and their spatial array change to contribute to the realization of dialogue.

When the focus of our viewpoint changes from the constitution of the arrangement to an action within it, the subject of the action─as the one who has competencies─is not a human actor who is part of the arrangement, but an "agency," which *is* the arrangement itself（Callon, 2013）, being composed of humans *and* things. Applying this perspective to the issue of dialogue, we can posit the following. A statement, which in this paper is, "we are the professional team of dialogue," framed the business arrangement to which the statement refers to. Within the framed arrangement, the statement enjoys a higher degree of verisimilitude than before because, as the agency of dialogue, the arrangement has higher collective capabilities of realizing dialogue than originally. An important point is not this consequence of the arrangement gaining capabilities, but the actualization process or "performation" of the statement.

2.3. Generic performativity

Other concepts are needed to complete our framework for the empirical study. One of them is "generic performativity," proposed by MacKenzie（2004）and elaborated by Kjellberg and Helgesson（2006）. Generic performativity is compared with "Austinian performativity"（see Kjellberg and Helgesson, 2006: 846, Figure 4）, which means "a situation where a strong link has been forged between a clearly explicated theory and a resulting world"（Kjellberg and Helgesson, 2006: 846）. Conversely, generic performativity means a situation where multiple ideas（theories, statements, ideals, etc.）"in some non-exclusive way partake in shaping reality"（Kjellberg and Helgesson, 2006: 845）. Multiple ideas are connected in chains of "translations" and a composite of ideas is expressed by "practices appearing as the world out there"（Kjellberg and Helgesson, 2006: 846）.

2.4. Cooperation between "in-the-wild" and "confined" researchers

These ideas that are to be performed are not necessarily created by researchers "confined" in academic worlds（Callon, 2007）; a number of them have been produced by researchers "in the wild," including corporate scientists, analysts, and investigators（Callon, 2007）. In this paper, the consulting team that the authors observed is involved with in-the-wild researchers, who act as corporate ethnographers, skilled interviewers, and analysts. Such researchers can create an idea and purposely or accidentally connect ideas in practice and

translate them into rules, procedures, devices, and documents.

In some instances, in-the-wild and confined researchers perform ideas collectively, in chains of translation. The empirical study that follows is a case of generic co-performing of theories, a concept, and a statement on the cooperation between in-the-wild and confined researchers.

3. Empirical study

3.1. Observation object: Consulting team for product planning

Here, a statement that describes dialogue provides a higher degree of verisimilitude to the arrangement it describes. The observation object is the User Centered Innovation Laboratory (UCI Lab), which co-creates a client firm's product plan. UCI Lab designs an inquiry process for product planning that involves the co-investigation (with the client) of potential users, workshops with the client, co-creation of ideas and prototypes, and co-creation of the final project proposal, which is customized to fit the decision-making process inside the client firm.[5]

UCI Lab is a corporate venture of a midsize advertising company, "YRK and Corp.," and was launched on September 20, 2012 (start of the first fiscal year － FY 1). UCI Lab has 3–5 members. The arrangement involving the team comprises (1) members; (2) collaborative network (investigating firms, analysts, illustrators, makers of motion pictures, and academic professors researching "design thinking," ethnography, and ethnomethodology); (3) client firms; (4) materials, such as documents for introducing UCI Lab to potential clients, equipment for investigating potential users (recorder and camcorder), equipment for workshop (vellum paper, sticky notes, candy-colored pens, cardboard etc.); and (5) space, particularly a small work space in a part of an unpartitioned large office on the second floor of the Tokyo branch of YRK and Corp.

3.2. Team's challenges and invitation of two researchers

In the summer of 2016, the team became aware of two challenges. First, members tried to tackle the fixed character of the team, which relied on the personality and competencies of the team leader, Takashi Watanabe, because his abilities stand out among the members.

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[5] A project cycle is similar to the cycle shown in Marcos-Cuevas et al. (2016: 99, Figure 1).

Internally, the increase of the clients（and potential clients）and their requests exposed the limitedness of the extant team capacity. The "run alone" of the leader came to be limiting. Second, the members wanted to explain "who we are" to potential clients and other employees of the team's parent company, because there was the possibility of cultural conflict between the team and other divisions. Its daily operations, especially by using illustrations, post-it notes, and workshops were not easily comprehended by the advertising and sales personnel and even managers. The potential clients who contacted the team felt a further difficulty in understanding the way of thinking of the team, for instance, in terms of "design thinking"[6] and "user experience." As such, the team needed to explain to the other employees and to potential clients its intentions and scope.
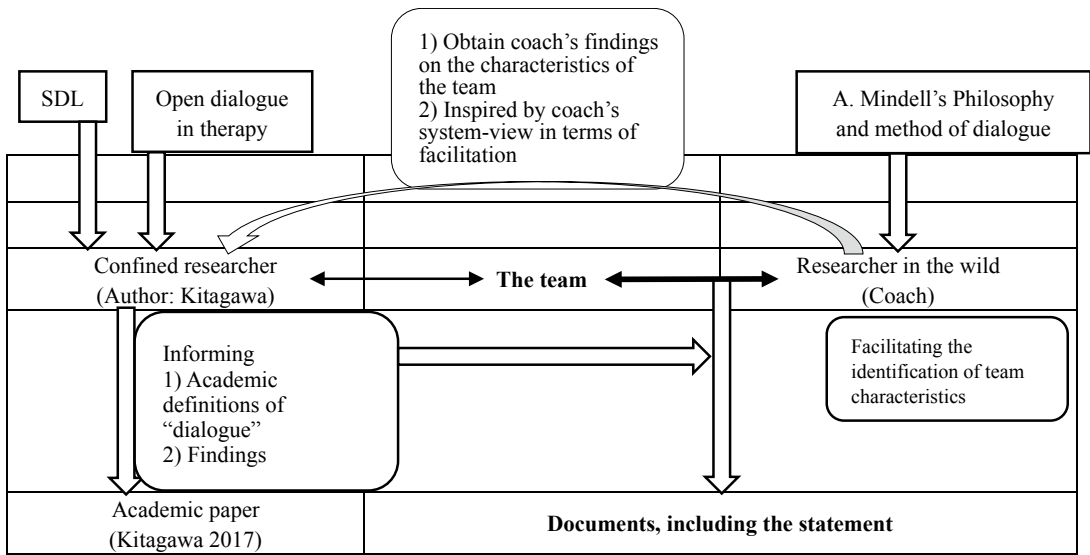
Therefore, the team needed to redefine its characteristics, and invited two researchers: one "confined" to the academic world—one of the authors of this paper（i.e., Kitagawa; in this section, "I" indicates Kitagawa）— and the other a researcher "in the wild" named Junko Kuroki, the president of a coaching company Inter-view. The latter practices team coaching based on the practical psychology of Arnold Mindell for therapy in a group setting（1989）.

Figure 1 depicts the two main aspects of cooperation between the two researchers. The first is between the team and I, whereby the team gave me approval to observe it and frequently interview members, starting from September 25, 2016. The findings were reported in a draft versions of this paper, on which the team commented and, thus, helped improve. The team and I continued such interactions that led to a discussion paper published in March 2017（Kitagawa, 2017）. The second is between the team and the coach, which is parallel to the above cooperation. The coach facilitated the creation of documents answering the questions "who we are" and "what our important objectives are."

While the two collaborations were independent, there were some interactions between them. On November 29, 2016, I interviewed the coach about her findings on the

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[6] A mindset and a code of conduct in collective investigation and interpretation about possible users with its client firm are similar to the "design-oriented thinking" detailed by Venkatesh et al.（2012: 297-299）. However, in a project of UCI Lab, dialogical interactions with possible users are placed at the starting, middle, and later stages of the project（while design-oriented companies studied by Venkatesh et al., 2012, p. 299 put user research "only at the later stages" of their project）and information acquired in the communications is given more weight（than the design-oriented companies studied by Venkatesh et al. 2012）as a source of collective interpretation of UCI Lab and its clients.

Figure 1 Cooperation between in-the-wild and confined researchers

SDL	Open dialogue in therapy	1) Obtain coach's findings on the characteristics of the team 2) Inspired by coach's system-view in terms of facilitation		A. Mindell's Philosophy and method of dialogue
	Confined researcher (Author: Kitagawa)	←→ **The team** ←→		Researcher in the wild (Coach)
	Informing 1) Academic definitions of "dialogue" 2) Findings			Facilitating the identification of team characteristics
	Academic paper (Kitagawa 2017)	**Documents, including the statement**		

Source: Created by the authors

characteristics of the team, after taking the consent of the team. I did not use any information acquired from her in my discussion paper (Kitagawa 2017); however, following her perspective became a trigger for creating this paper that combines dialogue and the framed network (arrangement): she saw the team as a network of various relationships, such as those between members, clients, and collaborators. Conversely, in the cooperation regarding the documents, the findings of the first cooperation were introduced by the team leader to answer the two questions mentioned earlier. This application of these findings was confirmed in an interview with the leader on May 29, 2017.

　　I: When I think back, Ms. Kuroki [the coach], cooperated with you at the same time [when I cooperated], and our findings were incorporated into the document, weren't they?

　　The leader: Yes, both findings [in the two collaborations] were incorporated. For example, the figure addressing "how to express our dialogue" [figure 3] is affected by Mr. Kitagawa's story and by the outcome of the "process work" of [her] system coaching. The documents were completed through the two processes.

3.3. Observing the team and paper writing

When I started to observe the team, my aim was not to rebuild it but to determine how its norms and customs contribute to the emergence of novel ideas. From September 26 to 30, 2016, I stayed in the workspace and went along with members to observe meetings with clients. Subsequently, I intermittently conducted in-depth interviews with the members over five months, grasping the common element of the various relationships between members, clients, and potential users（investigation objects）. The element on which I focused is dialogue or the "dialogical" relationship.

The first finding confirms that, during some business meetings between the team and client, dialogue was realized. In a draft of my paper（Kitagawa, 2017）,[7] written in January 2017, I shed light on an aspect of dialogue for the arrangement, while being aware of the autocracy of the leader. The paper showed that dialogue was realized in a meeting between the team and a client for the final proposal of a product plan. In the draft, dialogue was demonstrated through the transcripts of the meetings, ultimately showing that dialogue contributed to value co-creation between the participants from the client side（"operant resource"）and the product plan. However, the dialogue disrupted the inappropriate assumptions of participants regarding potential users and provided a new understanding of users' realities（operant resource）. When the participants used the document（as "operand resource"）for persuading management and downstream divisions to launch the plan, a deeper understanding of the users enhanced the power of their presentations. The dialogue developed the client's operant resources and contributed to value co-creation between the participants and documents after the dialogue ended.

The second finding is as follows. While observing the Tokyo branch office of YRK and Corp., including the UCI Lab, I wondered why the norms and customs of the sales and planning division — the dominant division at YRK and Corp. — and the UCI Lab are different. For instance, while the dominant division thinks that "we should respond quickly to the requests of our clients," UCI Lab believed "we should inquire deeply, and thus, we should actively control the speed of progress in a project." I interpreted that the difference in norms and customs derives from the difference in the communication modes of the

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[7] You may not be able to read this discussion paper because it is written in Japanese（Kitagawa, 2018）. However, the important point is not whether the paper is informative, but the "effects" of the findings of the paper on the arrangement.

Table 1 Differences in communication modes

	Dominant division	UCI Lab
Underlying communication modes	Communicative	Dialogical
Observable norms	1) We should respond quickly to the requests of our clients. 2) A dynamic workplace is better. 3) The leader or salesperson of a project should have dominant control over the members from our company's side. 4) We have to work hard and (if needed) long.	1) We should inquire deeply; thus, we should actively control the progress of a project. 2) To inquire deeply, we require a peaceful environment. 3) For a different perspective, we should jointly manage a project containing multiple members. 4) We leave work on time and have different experiences, because new perspectives are needed for novel ideas to emerge in dialogue.

Source: Adapted from Kitagawa (2017).

dominant division and UCI Lab. The former adopts a "communicative" mode, while the later presumed "dialogical" mode, as per Ballantyne and Varey (2006). The "communicative" interaction means "two-way" communication of "informing and listening." The employees of the dominant division rapidly and adequately implemented the cycle of informing and listening to their clients. Table 1 was presented to the team.

The dominant division did not understand well the norms of UCI Lab, the fundamental reason possibly being a lack of understanding of the dialogical orientation of members, clients, and the collaborative networks, that is, *an* aspect of the arrangement. The draft suggests that UCI Lab repeatedly explained its stance ― the dialogical orientation ― in a "translated" manner to capture the interest and sympathy of the dominant division. UCI Lab is a small team, compared to the 200 employees of YRK and Corp. To maintain its structure, communication mode, and norms, UCI Lab needs to make the dominant division understand its role, because a lack of comprehension can lead to criticism (conflict) of the team. However, the draft also implied that the dynamic and large office without partitions may have had a negative effect on the actualization of dialogue because the dynamic and incisive atmosphere may conflict with the calm environment the team pursues and the large office is not adequate for mining the collective thoughts of participants in an interaction.

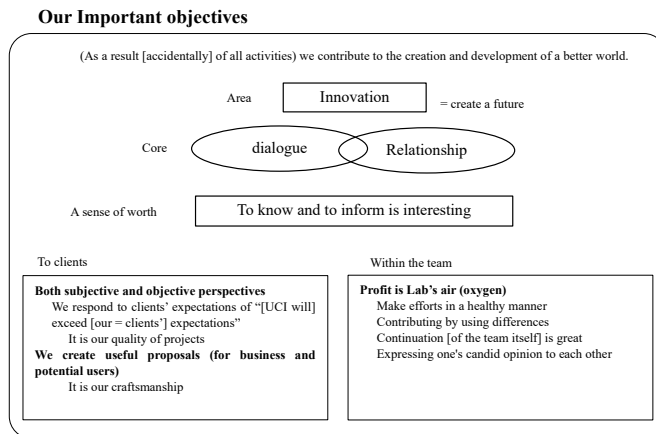I sent an early draft of the paper to the team and they provided comments that

reflected the viewpoint of stakeholders; this allowed me to correct errors and interpretations, ultimately sending the paper again for the team's review. This process was repeated seven times, from November 2016 to March 2017.

3.4. The team makes a "statement" of identifying itself

In parallel, Ms. Kuroki counseled the team, its collaborative network, and clients. She interpreted their individual voices as fragments of the voice of the team as a system. The voice involved hidden conflict between team members. The leader dominated product planning by virtue of his excellent competence, and, thus, other members did not have important roles in projects. The coach and members collaboratively created a future image of new roles for the members to ensure a better fit with the voice of the team. Part of the outcome is represented in Figure 2.

The consequences of the cooperation between the team and the two researchers are

Figure 2　Team's objectives and envisions set by itself

Our Important objectives

(As a result [accidentally] of all activities) we contribute to the creation and development of a better world.

Area　[Innovation]　= create a future

Core　(dialogue)(Relationship)

A sense of worth　[To know and to inform is interesting]

To clients
Both subjective and objective perspectives
　We respond to clients' expectations of "[UCI will]
　exceed [our = clients'] expectations"
　　It is our quality of projects
**We create useful proposals (for business and
potential users)**
　　It is our craftsmanship

Within the team
Profit is Lab's air (oxygen)
　Make efforts in a healthy manner
　Contributing by using differences
　Continuation [of the team itself] is great
　Expressing one's candid opinion to each other

Envision
　In 2022

　Sales ********JPY
　Operating profit ratio **%
　Seven members
　　Roles: "empath": two persons, "integrator": two persons, "who talk by
　　illustrations": two persons, and "operator": one person
　　Foundations of every person are "our important objectives"
　External brains: Ex-UCI [in the terms of the paper, the collaborative network]

Source: An internal material of UCI Lab, titled "Inventory of FY 5 and plan of FY 6," August 6, 2017. The drafts of these documents were created in February 2017.

Figure 3　Team's aims, internally set

UCI aims

We aim to crystallize new value in your business system through "dialogue" between the contexts of the users and that of the firm
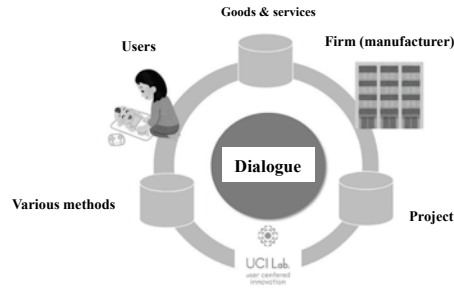
What is UCI?

We are

1. Innovation agent

   [We do] everything needed to bring innovation to you

2. Professional team of "dialogue"

Source: An internal material of UCI Lab, titled "Inventory of FY 5 and plan of FY 6," August 6, 2017. The drafts of these documents were created in February 2017.

that the team consensually created the documents in Figure 3.[8]

The meaning and value of "dialogue" in the above statement were created using SDL (Ballantyne and Varey, 2006), as per the framework in my paper (Kitagawa, 2017).[9] The procedure of creating the documents is based on Arnold Mindell's studies (especially the 1989 one). These theories were covalently translated in the documents through the cooperation between the researchers and the team. Therefore, the documents were midstream outcomes of the translation of authorized perspectives for "generic performativity." The documents, especially the statement, gradually framed the business arrangement to which they refer. Consequently, the framing process of the statement

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[8] Because the members, as co-creators of the document, strongly agree on it, the performativity of the documents is a case of "prescription" and "subscription," as in Andersson et al. (2008).

[9] Additionally, the meaning and value of dialogue was added by a school of psychiatry "open dialogue," which has received attention in Japan. I applied by way of analogy the term "boundary system" to the team's arrangement. "Boundary system" originally means the dialogical meeting on the boundaries of patient's family, other key persons, doctors, and nurses (Seikkula and Arnkil, 2006). Each group participating in the dialogical meeting represents a social network. Therefore, through the intermediation of participants, the networks communicate. In my case, I drew a dialogue for product planning as follows: users' network, engineer network, salesperson network, and other specialists' networks dialogue in a business meeting through the intermediation of participants. Because of the multiple perspectives of the networks in this boundary system, novel and useful ideas came forward.

reached actualization of a declaration of the existence of dialogue: "We are the professional team of 'dialogue'." In fact, the team leader recollected that in February 2018 the statement enjoyed a higher degree of verisimilitude than in the summer of 2016.

3.5. The team reconstitutes its arrangement for creating a higher degree of a verisimilitude of the statement

The process of reconstituting the arrangement is presented in the documents in Figures 4 and 5, which the leader created for explaining the aims of the team to parent company's

Figure 4　Plan of constitutional improvement of the arrangement set by the team

- Approach
  - ✓ Investment in knowledge (Workshop Designer Training Program)
  - ✓ Strengthening cooperation with outside entities
  - ✓ Increasing staff strength (Ms. D)
  - ✓ Recruiting
  - ✓ Releasing part of requests [select and let go of some requests from clients]
  - **+**
  - ✓ Move from second floor [large office shared with other divisions, as noted above] to a small room on the third floor [used exclusively by UCI Lab] (Thank you very much)

Source: Internal document of UCI Lab, titled "Inventory of FY 5 and plan of FY 6," August 6, 2017.

Figure 5　Consequences of constitutional improvement of the arrangement set by the team

- Consequences
  - ✓ Expansion of collaborative network (we clarify our advantages and can then connect to those who value these advantages)

FY 4	FY 5
[Omit. Nine names of firms, one-person businesses, academic researchers are shown.]	[Omit. Firms, one-person businesses, academic researchers, and in-the-wild researchers are shown.]

  - ✓ Staff cuts (Ms. B and Ms. C): Because our aim was clarified and the contents of the works changed; most staff, except for these two, exhibited a fit with these.
  - ✓ Merit and demerit of clarifying [collective identity and their aim]

Merit	Demerit
o　　　Progress of Ms. A	o　　　Exit of Ms. B
o　　　Recruiting new members using Wantedly [online recruiting service] and employing Ms. E	o　　　Selections of work, requests, and clients
o　　　Long- and short-term management with confidence, based on future team image	

  - ➢ The organization needs this process to shape the aim and achieve results [planed profit and profit rate] in a healthy manner.

Source: An internal material of UCI Lab, titled "Inventory of FY 5 and plan of FY 6," August 6, 2017.

management.

In these documents, the subject of actions — the agency — was not an individual; instead, "organization" is used, which is similar to our term, "business arrangement." Before the statement was made, the leader decided how to develop this arrangement. However, after the collaborative outcomes of the team and researcher clarified the identity of the arrangement as the statement, the characteristics of the arrangement started to become independent of those of the individual, the leader. The arrangement became the subject of the action, as the "agency" reconfiguring the action on the basis of the documents presenting its future image.

3.5.1. Investments in the materials, space, and competency that contribute to designing dialogue

To enhance the verisimilitude of the statement, the members were eager to develop a competency as "facilitators" of meetings and workshops to actualize dialogue. The competency is a design setting of the communication to produce contingency and unexpected incidents for disrupting the assumptions of participants. In FY 5 and FY 6, some members took the "Workshop Designer Training Program," a 120-hour program for working adults provided by Aoyama Gakuin University. The team members put effort and used leave time over three months to attend this program because they thought that the competence of designing workshops taught by the program would be useful in realizing the statement. The managers of YRK and Corp. agreed to pay the tuition fee because the leader could justify the necessity of the training program on the basis of the statement.

For a better spatial arrangement contributing to dialogue, they requested the head of the Tokyo branch to transfer the team's workplace from the unpartitioned large office to a smaller room. As implied in my paper (Kitagawa, 2017), the norms, behaviors, and atmosphere of the dominant division did not contribute to the actualization of dialogue. Additionally, the large unpartitioned space did not contribute to promoting and deepening the collective thought process of the team. The head of the Tokyo branch of YRK and Corp. decided to transfer the team's workplace to the small room because the head clearly understood its intent and aim from the documents. From the viewpoint of the Tokyo branch, the transfer of the team's workplace meant that the company invested (allocated) the larger part of the spatial value of the branch to the team.

The team also invested in materials, such as a large whiteboard, stationery, equipment for making prototypes, to enhance the quality of communication in projects（especially workshops）.[10]

3.5.2. Transformation, affiliation, or exit of members

When one is keenly aware of one's ideal role, in some cases, one reflects on one's actions based on the ideal role and environment（e.g., actions of other members who also imposed their own ideal roles）and amends one's habitual assumptions and actions. One becomes an "acting teacher" of oneself and "performs" an ideal role. Conversely, the "arrangement" teaches one how to perform one's ideal actions. Ms. A was radically transformed by that process, an experience recounted by the team leader on April 21, 2017:

> The leader: After we tried to listen to the system's voice with the assistance of the coach, A's consciousness radically changed. Before that, she only tried to improve her profession, that is "empathetic" listening of users. However, after that, she has realized that she should also take up management tasks as my assistant. That is why we can now draw the future vision more easily.

On another occasion, Ms. A and the leader jointly looked back at the cause of her transformation.

> Ms. A: Our relationship was a master-servant one; however, my standpoint changed, for example, when I expressed my opinion on hiring new staff.
> The leader: The timing is also right. In Workshop Designer [Training Program in the university], you can experience different roles from those in the workplace.
> Ms. A: Through experiencing relationships with the other participants in the Workshop Designer, I recognized "I am a person who, in fact, likes organizing things." It is valuable for me to recognize, outside of the workplace, this possibility: "Oh, I have such an aspect!"

While Ms. A changed, some members could or did not fit the framed arrangement, as explained by the leader on April 21, 2017:

> The leader: B's specialty is limited to a certain industry and not relevant directly to the contribution to realized dialogue. She may not have sufficient aptitude for the

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[10] We can see the roles of materials in intermediating, enhancing, or clarifying participants' words and findings in product and service planning in Stickdorn and Schneider（2011）.

[dialogical] relationship or the stance that UCI tries to realize. When we [the entire team] try to draw the future image of the team, it is very difficult to create the image if the components are B, A, and me. It is easy when we draw this image without considering the components, and then, within the image [of arrangement], we give places [roles] to each component. Here is A, here is me. However, we reached the conclusion that "today's B does not have a place in the future image."

A few months after the interview, Ms. B exited the team.

3.5.3. Rebuilding the collaborative network

When the future image of the arrangement was clarified, the desired characteristics of the collaborative network, which is a part of the arrangement, were also clarified.

Of course, the necessary condition to choose collaborators is they have high professional abilities. Collaborators, with whom the team should keep contact, are persons having specific professional skills and expertise needed in a specific project, but not all projects. Examples of such skills are rapid prototyping, data mining, UX story making, building user interfaces, or B2B branding. The opportunities for creating connections are, for instance, in MBA and Workshop Designer Training Program, alumni associations of them, or other academic and practical study meetings.

However, professional skills are not enough for the collaborative network of the arrangement framed by the statement of dialogue existence. Whether the team requests a task repeatedly or not is related to a professional appreciating the "important objectives" of UCI Lab and having an attitude to flexibly reconstruct his or her assumptions, depending on the findings of the project. The collaborative network, or "ex-UCI," the term used by UCI Lab, has gradually changed based on the intent of UCI Lab. Accordingly, the network improved its competency in transforming and, thus, contributed to the actualization of dialogues in projects.

3.5.4. Selection of customers

From FY 4 to FY 5, the demand for UCI Lab exceeded the team's capacity because of customer's word of mouth in the "network of product planners." The team previously accepted working with customers who appreciated the "important objectives" of the team and, from the viewpoint of the team, contributed to realizing the "future image" of the

arrangement — dialogical arrangement. However, the team gradually distanced itself from customers that did not place high value on the team's competency in designing dialogue. Additionally, customers who did not have the potential to construct dialogical relationships with the team were excluded.

> The leader: How stressful, we work with clients who see [choose from many aspects of the life of users] what the clients would like to see! They only search for data that fits the assumptions and hypotheses which they already have. "Hmm…, yes, certainly the user said that, however, it is not the main aspect of the interview, is it?" When we see such attitudes among the clients, [I feel that] dialogue is natural for persons who can do it, while of course we [the persons] should enhance the ability; however, the clients who do not have the potential cannot do it at all. This problem arises not only from the innate qualities of the client as an individual, but also from corporate culture to which the client belongs. The client's qualities, such as the character of its decision-making process and the type of manager who intervenes in the process, are inseparable from the culture.

Through client selection, the competencies of the team's customers, who contributed to dialogue, were enhanced. When the team works on a project with a customer that can forgo its own assumptions and hypotheses, the possibility of creating novel and useful ideas in dialogue increases, as is the possibility of creating a product plan that brings high value to the client's firm. When excellent outcomes, which go beyond the client's expectation, emerge, the clients talk to other planners in his or her network about UCI Lab. This becomes an effective team advertisement for a future client that seeks a dialogical project. This "selection" was encouraged by the above virtuous cycle. Collateral evidence is as per Table 2.

Table 2 Projects become bigger, more challenging, and profitable

	FY 4	FY 5
Number of completed projects	50	34
Total sales	x	1.01x
Average sales per project	y	1.48y
Average profit per project	z	1.19z

Source: Internal material of UCI Lab, titled "Inventory of FY 5 and plan of FY 6," August 6, 2017.

While sales did not increase significantly, individual projects became bigger and longer. Additionally, the number of projects under a certain amount of sales proceeds reduced from 30 to 13 (Internal document cited in Table 2). The number of bigger and challenging projects increased, which means that the clients highly estimate the team's competency to facilitate their projects.

I subjectively checked many final proposals for the proposed project plan. Comparing FY 4, FY 5, and FY 6, there was an increase in the ratio of proposals where participants' assumptions and hypotheses changed (i.e., dialogue may be realized through co-investigation, workshop, or meetings) and the insights of proposals created in FY 5 and FY 6 are deeper (e.g., unexpected findings) than the ones created in FY 4.

3.6. Empirical study retrospective

An aspect of the business arrangement (which had many aspects, such as the autocracy of the leader) was verbalized by collaborative work between the team and the two researchers: dialogical arrangement, simplified as per the statement "we are the professional team of dialogue" and the "important objectives" in documents. These became *the* identity agreed by each team member. Once the identity of the arrangement was clarified, the arrangement started becoming independent of the leader. Based on the statement, the arrangement developed A's ability; included D and E, who fulfilled the required roles for the future image of the arrangement; and excluded B and C. The arrangement also included clients and collaborative firms, who contributed to actualizing dialogues and excluded clients and collaborators who did not contribute to enhancing the verisimilitude of the statement. If the team tries to actualize dialogue, it needs "interactors" who can disrupt and reconstruct their frames flexibly during the process of collective inquiry.[11] By doing so, the arrangement enhanced the possibility to actualize the statement "we are the professional team of the dialogue." In other words, because the arrangement included useful elements for designing dialogue (i.e., human actors, materials, workspace, competency, and investment) and excluded non-contributing elements (i.e., human actors, workspace, obstinacy, and narrow vision), the verisimilitude of the statement was

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[11] Abandoning one's assumptions is sometimes delightful but, in many cases, brings psychological resistance and suffering. I observed some planners who did not have the credentials to win this battle. Such planners or professionals cannot be involved in the dialogical arrangement.

enhanced. The ideal interaction in SDL — dialogue — was thus performed within the arrangement, which has been framed by the ideal itself.

4. Theoretical findings of the empirical study

4.1. Foundations of the statement

Here, we provide and abstract analysis of how dialogue is actualized. The process of actualization is understood as performing the statement that shows the existence of dialogue. For the construction of the statement, this paper indicated three points supporting believable effects of the statement on the arrangement. First, most constituent members of the arrangement participated in the construction of the statement. This leads to member's agreement to perform the statement. Second, the researchers supported and intervened in the construction process, and the findings obtained from their observation of the arrangement shed light on the dialogic aspect of the arrangement. Finally, relevant theories posit the value of the concept, the dialogue, in the statement. The statement is a midstream outcome of "generic performativity" of the theories in different academic disciplines, such as marketing（SDL）, psychiatry（open dialogue）, and Mindell's philosophy and method of conflict resolution.

4.2. Framing the arrangement by investments

The performing of the statement is the process of framing the arrangement in line with the statement. Here, "framing" means the reconstruction of the arrangement by including or excluding elements（e.g., human, things, and space）. When the elements are enhanced, a relational outcome may develop between them. We confirmed the framing is realized by investments（money and effort）on humans（competencies）, materials, and space. This means that when we want to enhance the possibility of realizing dialogue, we have to be mentally prepared for investment.

4.3. Strongly framed arrangement to actualize reframing

By investments and selections, the elements of the arrangement are enhanced and the relational outcome between them is developed. As noted in the second section, dialogue is defined as the mode of communication that brings a collective "reframing." Therefore, we can affirm that the collective reframing is actualized within the arrangement, which is

strongly framed by the perspective of dialogue.[12] Managerially, we strongly argue that, if businesspersons want to enhance the possibility of actualization of dialogue, the reconstruction of the business arrangement is needed, along with their greater involvement in dialogue. The reconstruction process contains not only the inclusion or recombination of elements, but also harmful decisions that remove them from the arrangement.[13]

5. Concluding remarks

Connecting the concept of dialogue in SDL and the ones in performativity and arrangement in ANT, we find that a well-framed arrangement by the existence of the statement of dialogue collectively disrupts the frameworks (i.e., assumptions, hypothesis, and meanings) of participants and collectively reconstructs a shared, novel frame. The characteristics of dialogue in the value co-creating perspective of marketing highlight its positive sides, such as "participation," "learning together," maintaining "competitive advantage," and "extra value" perceived by beneficiaries (Ballantyne and Varey, 2006; Grönroos, 2000).

Nonetheless, another focal point of this article is that the well-built foundation of dialogue is a consequence of inclusions and *exclusions*. To migrate the arrangement of UCI Lab to dialogical one, its team members had needed to become professionals of dialogue.

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[12] For maintaining competitive advantage, too much framing of an arrangement may, in the longer term, disturb the collective competency for creating radical reframing, that is "disruptive innovation." However, this is an issue for future research. The way of avoiding the disturbance may be that the arrangement intentionally (however limitedly) invites otherness into itself.

[13] The empirical study of this paper has two main limitations. First, the arrangement already had an aspect that sometimes actualizes dialogue between the team and clients. This paper studies how the dialogue has been actualized, but an aspect of the arrangement already had had the competency, of which the team was not yet aware. Second, this paper cannot determine a way to measure or prove the enhancement of the degree of the verisimilitude of the statement. However, according to the interviews on November 20, 2017 and January 20, 2018, we can confirm that the relationship between the leader and Ms. A changed from master-servant to cooperative and that members' agreement with the verisimilitude has been enhanced. Also, the word-of-mouth from clients continues in FY 5 and FY 6. This means that at least part of the achievements of projects were beyond clients' expectations about the capacity of the team. Therefore, requests from clients are still beyond the (ever growing) capacity of the team. However, these are not direct evidence of enhancing the verisimilitude of dialogue existence.

This pressure in the transition entailed the exit of a member and some customers who had been included in the old arrangement. Potentially, if more deliberative communication had been done during the transition in a different way, the member and customers could be included in the new arrangement. However, particularly in the business context, there is generally a strong pressure to make a profit and, thus, there is not sufficient time to wait for team members, such as Ms. B, to acquire the requisite competencies. In the same way, there is no need for the team members to wait for low-profitable customers to develop their competencies.

This "selection" bring us back to Luhmann's issue which we see in the beginning of this article. First, Luhmann's rule proposes not extinction but reduction of complexity. As such, all we can do is to implement a certain type of reduction, and when we implement it, we need to secure the legitimacy agreed among parties. We, therefore, would ultimately feel uneasy about the constructive character of "consent," which sometimes become superior a participant and we think of the other unfulfilled possibilities omitted.

Second, exclusion, to realize the reduction of complexity, might produce an unpredictable effect. Eventually, we cannot accurately calculate the expense of the exclusion, that is, the expense of realization of the arrangement for "an ideal form of communication within S-D Logic"（Ballantyne and Varey, 2006: 224）.

Similarly, other discourses of collaborative behaviors now in vogue（e.g., co-creation, co-operation, co-innovation, and open innovation）must share a similar fate. An arrangement strongly framed by such discourse covers up the political power of "justification" of exclusion of elements. In other words, the actualized collaborative behaviors only stand on the arrangement constituted in a hidden political situation, for instance, asymmetry of power, groupthink, or battle for membership which are often repressed collectively by such discourses. The "evangelists" of the collaborations should take note that it is not until specific elements（i.e., specific materials, space, and humans）are in place and obstructive ones are *cleared up* that such *neat* interaction or collaboration is realized. Thus, when we introduce the perspective of arrangement or system view, we encounter the ironical situation that the collaborations and exclusion are two faces of the same coin.

Finally, we propose future research questions:（i）how should we think about this contradiction of dialogue in a specific business scene, that is, *framed* collective reframing, *bounded* communication for *going beyond boundaries*, and *exclusive* communication for

learning *together* and（ii）does dialogue in business only mean that persons who have competencies to reconstruct their frameworks collaborate and accelerate the transformation collectively? Unfortunately, this paper cannot clearly answer these questions.

Acknowledgement

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