



UNIVERSITY OF GOTHENBURG
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Motivational Drivers for Early Adoption of
Management Accounting Innovations among
Incompatible Organisations: When
Organisational Culture and Innovation
Characteristics Do Not Fit

Authors:

Josefin Andersson
Hannes Larsson

Supervisor:

Christian Ax

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Josefin Andersson & Hannes Larsson

Abstract

Previous research has not been able to uncover what motivates incompatible organisations to adopt a management accounting innovation (MAI) in the early stages. In this study we investigate early adoption and the motivational drivers among four organisations that, by not having the same values and beliefs as those inherent in the MAI, are considered to be incompatible. Drawing on existing theory, we develop a conceptual framework that illustrates the process these incompatible early adopters go through when deciding to adopt the MAI. It is examined with a qualitative approach, to give a more detailed perspective of the process, through conducting interviews with individuals involved in the decision. The study identifies two motivational drivers that explain this incompatible adoption in the early stage of the diffusion. Firstly, the existence of a superordinate objective in the organisation that overshadows the implementation of the current MAI and where the MAI rather works as a mean to reach the superordinate objective. Secondly, the entrance of a new individual into the organisation brings existing knowledge and prior experience with the MAI which disrupts the incompatible culture. The adoption in the early stage is explained by the lack of theorisation in the diffusion process, whereupon the organisations are capable of customising the MAI to fit with present needs in the organisation. By uncovering these two motivational drivers, this study is able to give an understanding to a previously unexplained incompatible early adoption.

Keywords: *Adoption, Early adoption, Diffusion, Management accounting innovations, Balanced Scorecard, New-institutional theory, Incompatibility, Organisational culture, Innovation-decision process*

Supervisor:
Christian Ax

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1. Introduction

Studying the diffusion of Management Accounting Innovations (MAI) has recently been an area of interest in management accounting research (Ax & Greve, 2017). It has been studied from different research perspectives. Studies on contingency theory has directed causes of diffusion to contextual factors and organisational characteristics such as size, location and competition (e.g. Geroski, 2000; Hannan & McDowell, 1984). Looking at the subject from a different direction, the research draws on the new-institutional perspective on diffusion (DiMaggio & Powell, 1983; Tolbert & Zucker, 1983). The focus in this field has mainly been on identifying motivational drivers for adoption and how they change over the diffusion cycle. Here, early adoption is explained to be driven by economic and technical efficiency, whereas the late stage of diffusion is attracted by increasing the social legitimacy.

In recent decades, the impression on how these motivational drivers are fashioned over time has been questioned as oversimplifying by ignoring the existence of multiple logics and that the economic logic is institutionally embedded throughout the entire diffusion (Lounsbury, 2007). Additionally, critique has been conveyed for portraying managers as “*a-rational*” and simply engaging in mindless imitation (Strang & Macy, 2001; Lounsbury, 2008). In consequence, Love and Cebon (2008) has conceptualised adoption as continuously being driven by technical rationality, but what is considered rational shifts as the innovation diffuses. Hence, scholars are currently studying new ways of comprehending the reasoning behind adopting innovations to reveal other motivational drivers of MAIs from the perspective of new-institutional theory (Kennedy & Fiss, 2009; Love & Cebon, 2008; Ax & Greve, 2017). Recent contributions have been the suggestion of a more complex relation between adoption motivations and timing than traditionally suggested. Firstly, Kennedy & Fiss (2009) state that both social and economic motives are important in both early and late stages. They contribute that the way of framing the innovation indicates what drivers are of interest in the adoption where the opportunity frame for achieving gains (both economic and social) is motivating in the early stage and the threat frame for avoiding losses is what drives adoption in the late stage.

Secondly, Love and Cebon (2008) investigate the influences of culture in the adoption decision, exploring the innovation’s compatibility between inherent values and beliefs in the organisation and the innovation. They do so by empirically presenting a positive correlation between compatibility and innovation adoption rate, specifically showing a declined influence of compatibility as the innovation diffuses over time. Therefore, they are highlighting the importance of organisational-specific culture characteristics and consequently a compatible fit for early adoption. Regarding late adoption, the innovation undergoes the three processes of imitation, theorisation and institutionalisation, thus creating a stronger consensus for what is right and what is wrong, leading to a homogenising effect. Therefore, it is rather field-level specifics such as social legitimacy that influence the late stage instead of the importance of a cultural fit.

Finally, Ax and Greve (2017) have contributed with a model that combines these aforementioned theories and state that they complement each other and explain shortcomings on their individual level. The implications are that early adopters are

compatible with the innovation, motivated by the perceived economic efficiency and/or social legitimacy and can see opportunities with adopting the innovation. Late adopters, on the other hand, are incompatible and take the decision to adopt if they see potential future losses of not adopting, both economic and social.

However, both Love and Cebon (2008) and Ax and Greve (2017) discovered a group of early adopters that did not follow the presented pattern. This group decided to adopt the MAI in an early stage of the diffusion even though the values and beliefs of the organisation were not compatible with the values and beliefs inherent in the innovation. Hence, recent calls in the literature of diffusing innovations have called upon an explanation of the complex nature of incompatible early adopters of diffusing innovations (Ax & Greve, 2017). The purpose of the present study is to find an understanding of why incompatible early adopters are motivated to adopt a management accounting innovation. The aspiration is that this will lead to the uncovering of what drives these organisations in their decisions to adopt an innovation. We aim to do this by answering the following research question: *What are the motivational drivers of incompatible organisations to adopt management accounting innovations in the early stage of the diffusing process?* By doing this, the paper provides a previously unrecognised understanding of the early stage of diffusing innovations and gives scholars an understanding of what motivational drivers are behind early adoption when the values and beliefs do not appear to fit between the organisation and the innovation. The study aims to contribute with a more comprehensive picture of new-institutional theory on adoption of diffusing innovations by providing an explanation to the part of the theory that has previously not been described.

The study uses a pre-set sample of incompatible early adopters identified by Ax and Greve (2017) to directly be able to concentrate on the area of interest. Interviews have been conducted with these organisations which act within the Swedish manufacturing industry regarding their adoption of the MAI Balanced Scorecard (BSC) between 1992-1997. Since the complex nature of the incompatible early adopters has not been captured before, we find it necessary to examine the area from a different perspective. Previous researchers have been using large-scale survey-based studies and that method has been inadequate to capture the underlying processes that drive motivation (DiMaggio, 1988; Greenwood, Oliver, Sahlin & Suddaby, 2008; Zilber, 2008). Therefore, this study will be using a qualitative methodology and examine the process that leads to adoption and cover a more detailed perspective of the adoption decision. Hence, the interviews were specifically constructed to receive answers regarding the prior conditions faced by the organisations, how they got in contact with the innovation, how they built up a favourable attitude towards it, and ultimately how it resulted in them making the decision to adopt.

The study will be structured as follows. It will first outline the present literature in the research area and the development of a conceptual framework for incompatible early adopters of MAI. In section three, a presentation of the used methodology will be described. The subsequent part will present the empirical findings obtained from the interviews which will lead to a cross-case analysis comparing all cases. Based on this, a discussion is rendered possible which is reasoning the main findings in relation to appertaining theory. The study finalises with conclusion, contributions, limitations, and suggestions for future research.

2. Literature Review and Theoretical Framework

2.1. Economic and Social Motives

Early research regarding the timing of adoption of diffusing innovations presented what later came to be known as the two-stage new-institutional model of diffusion (Tolbert & Zucker, 1983; DiMaggio & Powell, 1983). Previous research had concerned two components: (1) rational action (Lundberg, 1967; Blau & Schoenherr, 1971) and (2) institutional forces (Meyer & Rowan, 1977). On the one hand, there are the ones that state that efficiency and effectiveness motivate adoption as organisations are viewed upon as rational actors (e.g. Katz & Shapiro, 1987). On the other hand, are those that perceive organisations as part of a bigger institutionalised environment and the reason for adopting is ruled by social legitimacy, and appearing legitimate, within the field (e.g. DiMaggio & Powell, 1983). Tolbert and Zucker (1983) combine these two camps in an empirical study where the main contribution is the timing of adoption, allocating different motivational drivers to the early and the late stages. The early adopters are motivated by internal economic reasons (Tolbert & Zucker, 1983). In this stage of the diffusion, the deciding motivational drivers can be: the addition of value to the internal functions (Utterback, 1971), the identification of solutions (Lounsbury, 2007), and the removal of a problematic existing structure (Meyer & Rowan, 1977). Continuing, the late adoption is mainly driven by what others do, independent of its effectiveness, and based on the institutionalised status the innovation has gained over time (Meyer & Rowan, 1977; DiMaggio & Powell, 1983). Most organisations will be under such external pressure that not incorporating the innovation into their formal structure will severely harm their legitimacy and create a risk of not surviving, *“regardless of their value for the internal functioning of the organisation”* (Tolbert & Zucker, 1983: 26).

However, the validity of the two-stage model has been questioned since the model is focused only on diffusion where a unitary practice spreads (Strang & Soule, 1998), and measures adoption only on the dichotomous relationship between early and late adopters (Ax & Greve, 2017). This view makes it difficult to determine *“the adoption of a diffusing innovation [that] occurs at different times for different firms in different circumstances”* (Chandler and Hwang, 2015: 1449). Furthermore, it has been criticised for being tested in an indirect manner, where economic factors such as age, city population and size only predict early adoption and thus merely implies that late adoption had to be driven by the other alternative: legitimacy. Lastly, the two-stage model has been criticised for its view on management; leaders of late adopters are passive and *“a-rational”* (Strang & Macy, 2001) and simply engage in mindless imitation (Lounsbury, 2008), whereas early adopters are motivated by the more rational economic and technical efficiency.

Facing this critique, the two-stage model has been revisited in an emerging research area. Scholars are questioning the relationship between the adoption motivations and timing that the conventional two-stage model presents (Lounsbury, 2007; Love & Cebon, 2008; Kennedy & Fiss, 2009; Ax & Greve, 2017), despite having been used as a cornerstone in many studies in the field of diffusion of innovations (Baron, Dobbin & Jennings, 1986; Westphal & Zajac, 1994). One of these is Kennedy & Fiss' (2009) research which indicate the coexistence of economic and social motives. They combine

Tolbert and Zucker's (1983) model with research in behaviour and psychology which directs the research towards explaining more fine-grained mechanisms in the new-institutional diffusion studies (Lounsbury, 2007). By arguing that social and economic motivations are not easily distinguishable, thus defying the previous assumptions of the two-stage model, they show how both efficiency and legitimacy matter in both the early and late stages of adoption. This is demonstrated by arguments that the way of framing issues as either opportunities for gains or threats of losses will lead to distinct motivations (Dutton & Jackson, 1987). More specifically, the early adoption stage is associated with framing innovations as opportunities. Westphal, Gulati and Shortell (1997) stated that those perceiving "*opportunities to improve performance with TQM programs should be the first to adopt*" (p. 371), in accordance with the idea of Kennedy and Fiss (2009). That is, the possibility of achieving a performance advantage over its competitors is seen as a way to get economic efficiency in line with the two-stage model. However, they were also the first to recognise that early adopters are also seeking social motives. These gains consist of, for example, distinguishing the organisation from others (Abrahamson, 1991), being perceived as market leader (Kamins & Alpert, 2004; Rindova, Pollock, & Hayward, 2006) or maintaining a high status and the organisation's reputation (Rindova et al., 2006; Compagni, Mele & Ravasi, 2015).

Nevertheless, those organisations who have yet to adopt the innovation face a competitive disadvantage when it comes to the late stage of the diffusion. While their competition has increased its efficiency and moved up the performance platform, the non-adopters remain at the level they have always been at. This brings up adoption for economic considerations due to the risk of lagging behind in efficiency, even at a late stage, in contrast to the two-stage model. The late adopters are therefore seen motivated by the perceived threat of incurring economic losses (Kennedy & Fiss, 2009). In addition, Kennedy and Fiss (2009) also imply that late adopters can be motivated by a threat of incurring social losses. A normative pressure is created when the innovation has gained its widespread legitimacy and the organisations adopt in order to avoid the risk of being perceived as illegitimate (Abrahamson, 1991; Tolbert & Zucker, 1983).

Another way of framing an innovation is presented by Compagni et al. (2015). They argue that the structural position in a field influences the framing of a diffusing innovation in the early stages (see Kennedy & Fiss, 2009). *Central actors* - characterised by large size, higher status and high network centrality - are adopting early with the intention of maintaining their established position and are therefore more likely to see the new practice as a threat (Compagni et al., 2015). Compagni et al. (2015) further explain that *peripheral actors* - characterised by small size, lower status and low network connection - are also inclined to adopt early. However, their motivations differ in the way that they frame adoption as an opportunity to improve their social status. The peripheral actors are less aware of contemporary norms and operate in an environment which is beyond the institutional expectations (Kraatz, 1998). Furthermore, they state that only the peripheral actors are motivated by improving their social standing, whereas the central ones are motivated by maintaining its social status (Compagni et al., 2015).

Overall, the theories challenging the two-stage model appear to have one thing in common, they go beyond the dichotomy of simple efficiency and legitimacy in early and late stages and try to find more explanations to organisational heterogeneity. Specifically, they give us more understanding of what mechanisms can motivate the adopters in their decision-making. Kennedy and Fiss (2009) show that motivations based on economic and social logic are reinforcing each other and may thus infer that *“wanting to look good does not preclude also wanting to do better”* (Kennedy & Fiss, 2009: 911). However, according to Ax and Greve (2017), Kennedy and Fiss’ (2009) model of framing the innovation as an opportunity or threat is inadequate due to the assumption that simply perceiving an innovation as an opportunity makes the organisation an early adopter, with nothing to explain the forces behind why they see it as an opportunity or threat. The fact that adoption is made early does not explain their motivation or what they have in common (Ax & Greve, 2017). Hence, Ax and Greve (2017) state that the result from Kennedy and Fiss (2009) regarding timing may not be as good a predictor as suggested. Compagni et al. (2015) explain this by asserting the importance of structural position into the framing. However, additional factors, such as compatibility, may better explain timing motivations (Love & Cebon, 2008).

2.2. Cultural Fit

Love and Cebon (2008) question the two-stage model similarly to Kennedy and Fiss (2009). However, this study extends the conventional model by incorporating theories on organisational culture. Both Love and Cebon (2008) and Ax and Greve (2017) suggest that adoption is primarily driven by a fit between the innovation and the organisational culture.

The organisations’ internal meanings system is based on *“how organisational members interpret social objects and practices”* (Love & Cebon, 2008: 243). It is found to be an important predictor of adoption timing, which the two-stage model has previously overlooked (Love & Cebon, 2008). This implicates that a specific organisational culture can predispose organisations to certain innovations (Schein, 1985) and is therefore seen as deeply affecting the reception of the innovation in the organisation. The theories on organisational culture (Hofstede, 1991; Schein, 1985) incorporated by Love and Cebon (2008) add that organisation-level meaning systems can be an important source for distinctiveness, where organisations separate themselves from others, as well as they support conformity, implying that organisations become more alike.

In contrast to the two-stage model, Love and Cebon (2008) assume that managers are rational, driven by technical efficiency, throughout the whole diffusion process. Their results show how a compatibility between the values and beliefs incorporated in the specific innovation and the shared values and beliefs among organisational participants, i.e. the organisational culture (Detert, Schroeder & Mauriel, 2000), will lead to early adoption of the innovation. This is done through the process of re-embedding. As ideas of the practice travels between organisations, an organisation is able to apprehend it and make its own interpretation of the idea by translating and editing. Sahlin-Andersson (1996) describes this process as, how any organisation may modify the practice and ascribe new meaning to the innovation in order to make it fit

already existing models. Compatibility is found to be a facilitating factor in the process of translating and editing since the re-embedded practices will resemble the original practice, and be labelled as such, but the organisation will be able to keep its idiosyncrasy and base adoption on its organisation-level meaning system (Love & Cebon, 2008).

The rationality of adoption shifts, nevertheless, from the internal organisation-specific meaning system to institutionally legitimised field-level meaning system as diffusion proceeds. The field-level meaning system operates under three main processes: imitation, theorisation and institutionalisation (Love & Cebon, 2008). Their effect presses out the internal meaning systems and creates a homogenised field level consensus on the best practice. Imitation (DiMaggio & Powell, 1983) occurs when managers follow apparent successful organisations in the belief that the practice's effectiveness will be reached in their particular organisation too. Through repeated processes, this practice is reinforced, and it limits the influence of the organisation's own internal meaning system. Theorisation (Strang & Meyer, 1993) is the development and specification of abstract ideas and the subsequent generation of these into a conceptual model. Its role in the diffusion is to establish novel practices which enable faster diffusion through simplified ways of perceiving a complex world. Facilitating this work are knowledge entrepreneurs such as: academics, consultants, and professional associations that produce these theorised models and legitimise institutional change (Greenwood, Suddaby & Hinings, 2002; Strang & Meyer, 1993). The theorised practice enters organisations with a predefined meaning, thus affecting the re-embedding process and press out organisation-specific meaning systems. Finally, institutionalisation of practices is when the innovation is taken for granted by the institutional participants (Scott, 2001). Through institutionalisation, the idiosyncratic approach of organisations is limited due to the high status and meaning which the practice has gained in its institutionalised environment. Nevertheless, late adopters are able to stay rational, despite these processes, by having the power of choice between multiple existing templates, instead of merely imitating what others do. Love and Cebon (2008) assume that these managers have an awareness of the legitimate choice that the field-level meaning system has produced through imitation, theorisation and institutionalisation. Yet, they can still choose to adopt the practice in line with the internal meaning system. In this manner, Love and Cebon (2008) could investigate the adoption motivations without assuming the dichotomy that the two-stage model has been criticised for, that is, its strict division of early and late adoption.

However, the compatibility model of Love and Cebon (2008) has been criticised for implying that any organisation that is compatible will adopt. Hence, the research regarding cultural fit was strengthened and enriched by Ax and Greve (2017). Their statement is that there must be a compatibility for the actors to be able to discover the potential gains of an innovation as well as perceiving the gains as adequate enough to go down the endeavour of adopting it. Hence, their model is not directly revisiting the two-stage model. Rather, it takes two other articles a step further from the two-stage model of diffusion of innovations. In their study, they present a synthesised model of Love and Cebon (2008), and Kennedy and Fiss (2009). By doing so, they can approach the shortcomings and lack of some explanatory power these models have and illustrate the motivations behind innovation adoption better. To actually explain the

heterogeneity and variation in management practices, Ax and Greve (2017: 61) complement the compatibility model by explaining “*why some compatible firms reject innovations at an early stage [and] why some incompatible firms reject innovations in late stages*”.

Ax and Greve (2017) state that compatibility on its own cannot predestine adoption. Consequently, in their model, compatible organisations decide to adopt in the early stage of the diffusion process, driven by a framing of the innovation as an opportunity for gains - both social and economic. In addition, these gains must be perceived as being capable of providing adequate gains, either by giving the organisation a competitive advantage or increasing and/or maintaining social status. In this way, compatible organisations are declared as being capable of recognising innovations relatively early in the diffusing process (Ax & Greve, 2017). Ax and Greve (2017) also explain why incompatible firms tend to be late adopters, referring to the dependence of framing the innovation as a threat of losses and the innovation being perceived as reducing the risk of incurring losses, both economic and social (Ax & Greve, 2017).

Nonetheless, there are still some organisations’ decisions that go beyond explaining. Both Ax and Greve (2017), and Love and Cebon (2008) find that some organisations simply do not follow the pattern. The motivational drivers behind early adoption of incompatible organisations in their studies are not revealed. Neither of them is able to explain how incompatible organisations, that do not have the same values and beliefs as those embedded in the MAI adopted, are capable of recognising the innovation in such a prime stage of the diffusion, and what drives them to adopt a seemingly incompatible practice. This goes to show that the early stage of the diffusion process is more complex than previously suggested. The motivational drivers of incompatible early adopters are of high concern to address in order to gain a more complete picture of the research area of adoption of diffusing innovations. By turning the research to the incompatible early adopters’ processes of deciding on adoption, we will contribute with a deeper and more elaborate comprehension of the initial stage of diffusing MAIs.

2.3. Conceptual Framework

Previous research on diffusing innovations needs an extension as motivational drivers of incompatible early adoption has not been explicitly considered before. Therefore, we develop a conceptual framework (see Figure 1) to help understand the early adoption decision of these incompatible organisations that lack the connection between the values and beliefs in the organisation and those inherent in the innovation. Our understanding is that a more detailed picture of these organisations’ decision-making process is necessary to be able to explain their adoption. Simply asking them directly of their motivational drivers is perceived as giving a limited insight. Instead, the intention is to approach this problem with a wider perspective giving more explanatory descriptions. By using this angle of approach, we strive to find out the general situation of the organisation, how the MAI emerged, what was discussed, and why it was adopted. Therefore, the conceptual framework proceeds from a model of the innovation-decision process (Rogers, 2003) which consists of stages necessary in evaluating the idea and the following decision to adopt. However,

in the conceptual framework, we do not make the same assumptions about efficiency that Rogers (2003) does. Instead, the model is only utilised to describe the different stages each organisation goes through. As Rogers (1983: 163-164) states it: "*Diffusion scholars have long recognized that an individual's decision about an innovation is not an instantaneous act. Rather, it is a process that occurs over time and consists of a series of actions*".

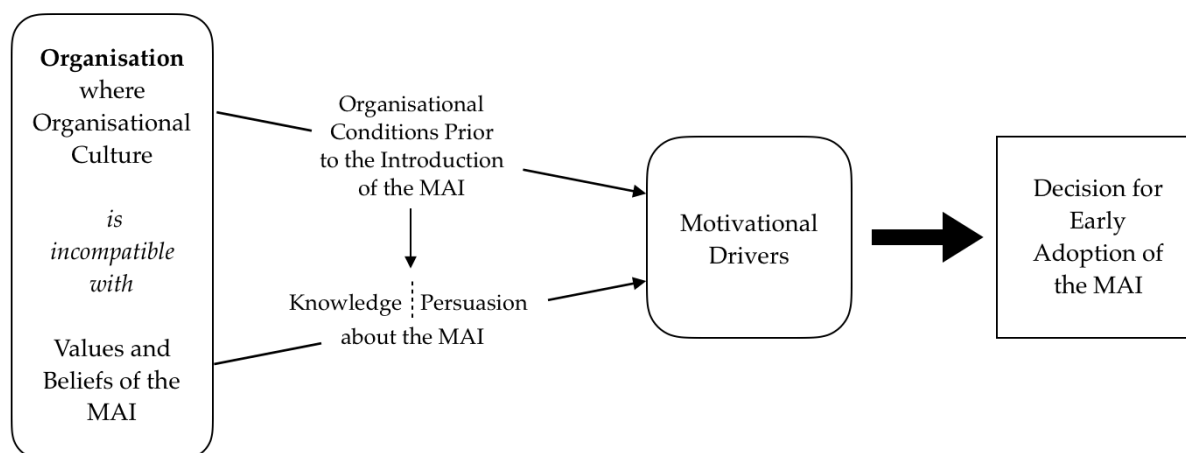
As illustrated in Figure 1, the conceptual framework starts with an organisation where the organisational culture, its values and beliefs, is incompatible with the values and beliefs of the MAI. Through the adoption decision process, the organisation can move through several stages. Firstly, prior conditions, which are organisational conditions and challenges the organisation is facing before and simultaneously as it is being introduced to the MAI. These set the decision-making context and may affect the ultimate decision. More specifically, this includes previous practices, felt needs and problems, the organisation's innovativeness (Rogers, 2003), and its structural position (Compagni et al., 2015). Hence, this stage of the process sets the contextual premise for the organisation.

Secondly, the stage of knowledge and persuasion about the MAI intends to illustrate the events and perceptions which lead the organisation towards the adoption. However, this can be done either by the organisation moving directly from its current situation and find motivational drivers through this stage or by the influence of the prior conditions exploited in the former stage. This second stage commences with the first contact with the innovation and acquisition of a basic understanding of its parts and use (Rogers, 2003). Rossem and Veen (2011) have identified a heterogeneous population of managers with different levels of awareness of management concepts. As such, we cannot expect managers to have the same level of awareness of the diffusing MAI, which is why we base the knowledge stage on the first contact with the MAI. With this in mind, the knowledge stage cannot by itself lead to adoption decision, it has to be complemented by the persuasion stage. In this part of the process, the potential adopter finds motives for adoption through multiple processes of actively searching for information about the innovation. Eventually it is leading the organisational members to build a subjectively favourable (or unfavourable) attitude with it. This is why we also include the potential prior evaluation of the MAI in a smaller pilot test, as it is believed to help to form the attitude towards the innovation. In conjunction, the knowledge and persuasion stage posit what influences the organisation to adopt and especially what forms their decision.

Finally, the third stage of the conceptual framework is based on the decision stage from the model of Rogers (2003) to find the motivational drivers of incompatible early adopters. Originally, this stage depicts the choice of the organisation to either adopt or reject the innovation. Here, however, we know that all the organisations adopt. Hence, it is more relevant for the purpose of this study to investigate which motivational driver that has had a deciding impact to lead the organisation to adopt. In our conceptual framework, we illustrate the process of which we uncover the motivational drivers that have the power alone to lead to the decision for early adoption of the MAI. The intention is to be able to discover these by investigating what the organisations mention in the preceding stages. It is believed to be appropriate to do so by considering

and gaining knowledge about the organisations' prior conditions and subsequent actions that form and influence the decision.

FIGURE 1
Conceptual Framework – The Decision Process for Identifying Motivational Drivers of Incompatible Early Adopters of a MAI



3. Methodology

3.1. Research Setting

In addressing the research question and the purpose of this study, we have studied incompatible early adopters of Balanced Scorecard (BSC) among Swedish organisations in the manufacturing industry. The BSC is a MAI that was first introduced in a publication in 1992 by Kaplan and Norton. It is presented to be “*a set of measures that gives top managers a fast but comprehensive view of the business*” (Kaplan & Norton, 1992, p. 71). The management control system consists of four perspectives of the organisation to monitor and achieve a better balance between financial and operational goals and measures. The BSC extends traditional management control systems by incorporating more operational and long-term drivers of financial performance; these consist of the Customer perspective, Internal Business perspective, and Innovation and Learning perspective (Kaplan & Norton, 1992). Besides these, the BSC also has the Financial perspective, which looks at the numbers and actions taken (Kaplan & Norton, 1992). The BSC is an interesting case among the many MAIs that have emerged; the reason for choosing it is threefold. Firstly, the BSC has a clear introduction date and a more defined structure than other MAIs - making implementation more rigid and therefore more stable and comparable over time (Ax & Greve, 2017). Secondly, there needs to be sufficient empirical evidence in order to study a MAI. The aim is to study a MAI that has had an impact on the industry studied as well as being widespread in practice (Speckbacher, Bischof & Pfeiffer, 2003; De Geuser, Mooraj & Oyon, 2009). Given that BSC was introduced 1992, it is possible to know its fully developed diffusion process which cannot be recognised in regard to

newer MAIs. Hence, this makes BSC preferable to study. Finally, as this study is a continuation of a previous study, it made more sense to continue the path of the diffusion of BSC used in that study.

The definition of incompatible early adopters used in this study is: *organisations which decided to adopt the BSC between 1992-1997 and did not have the values and beliefs of the organisation in accordance with the values and beliefs inherent in the BSC*. The requirement was to have adopted the BSC in the early stage of the diffusion process and that it came to use. Therefore, the discontinuance of the BSC that occurred in Organisation C approximately three years after implementation due to a merger with a foreign organisation did not matter for the sample selection. Organisations in this group have been identified by a survey (see Appendix) from a previous study which data was generously supplied to us by the professors Christian Ax and Jan Greve. Hence, the sample of this study has been withdrawn from this data. It is a purposive selection since this group of organisations show the specific characteristics and behaviour which are in line with the aim of the present study. Since the aforementioned article has received international recognition, the sample is perceived as of better use for expanding the area than to find our own. The total number of incompatible early adopters from the prevailing period in the data given were nine organisations. Out of these, four organisations had outlined the decision to adopt the BSC as determined by the headquarter. Hence, the decision had been forced upon them and they were thereby eliminated from the sample of this study. The exclusion was dependent on the notion that it would not provide a stronger explanation of the incompatible early adopters by going into depth with these organisations. Even though the power of the organisational hierarchy structure in itself might be an answer for early incompatible adoption, the motivational drivers were out of hand of the decision makers in the specific organisation since it was already pre-determined by the headquarters. Accordingly, remaining to represent the sample were five organisations. Due to the inability to find a contact in one of the organisations with an adequate amount of relevant knowledge about the situation, the final number to represent the sample of this study is four organisations.

The organisations of the study were subunits producing different products and did not act as competitors in their respective industry. The decision to use multiple cases is due to its ability to strengthen the validity and trustworthiness of the findings by replicating the result (Miles, Huberman & Saldaña, 2014). Due to anonymity, the organisations will be presented in the article as Organisation A, B, C and D.

An email was sent out to each of the respondents of the survey from the previous study to get in contact with the potential interviewees. The email stated their participation in a survey in 2009/2010 regarding the adoption of the BSC which had led to a recognised article (which was attached in the email) and had consequently generated further research questions. Subsequently, the email included a request to contact them for an interview about their adoption of the Balanced Scorecard. After this initial contact, two responses were received approving the participation in the study. In the following, the contact from Organisation A was no longer with the organisation. Receiving insights from individuals active in the decision process was perceived as favourable since they were regarded to possess the most relevant information and knowledge about the specific event. Consequently, through

collaboration with present employees at Organisation A, we were able to get in contact with the individual who answered the survey in 2009 and he complied to participate. A fourth one was contacted by phone by the researchers approximately one week after the email was sent out, after which the interviewee also agreed to participate.

Three out of the four interviewees were active in the company during the adoption period. The interviewee from Organisation B was employed by the organisation in 1998. After the interview with this interviewee was held, there was a need to contact Organisation B again for further information to fill some gaps regarding the specific time period before the initial interviewee entered. Email correspondence with a senior employee who were active at this time developed into an additional interview with this second individual in Organisation B. The results from both interviews are simultaneously presented in the empirical findings for Organisation B. Furthermore, clarification of some information from Organisation C was needed and received by email correspondence.

3.2. Data Collection

The main data was collected through semi-structured interviews. An interview guide was constructed prior to the interviews in order to focus the interviews and to avoid receiving an abundant amount of irrelevant information. Thus, making sure that the interviewees knew what to expect to get out of them (Miles et al., 2014). The interview guide was structured based on the conceptual framework with questions related to what occurred in each stage. When facing a diffusing innovation, the organisation has to deal with the experienced uncertainty inherently involved with something new. Thus, decisions about innovations differ from other types of decision-making which calls upon producing a more complex process of handling these aspects. Therefore, the interview guide contained the three stages explained in the conceptual framework (prior condition, knowledge and persuasion, and decision) and the two last stages demonstrated by Rogers (2003), namely the implementation stage and the confirmation stage. Both of these final stages are concerning the period after the decision of adoption has been made. By using this methodology, it was believed to be possible to identify the motivational drivers in the adoption decision.

Using the model of Rogers (2003) enabled a deeper understanding of the process that led to the decision taken and hence helped to explain and capture the motivational drivers. Additionally, it was intended to reduce the recall bias by structuring the interviews in this way, since the adoption of the BSC occurred between 1992-1997 among the sample organisations. Besides the structure of the innovation-decision process, recall bias was taken into consideration by formulating questions that encouraged the interviewees to recall back in time, as well as not revealing the study's research question to the interviewees (Hassan, 2006).

After the first draft of the interview guide was prepared, it was processed in several steps to improve its validity. The questions were evaluated to see their applicability in an interview setting and to ascertain that they were understood as intended and generated desirable answers. This was done by having a trial interviews between the authors, discussing the content with our supervisor and especially from conducting a pilot interview with a knowledgeable individual in the business field. Besides giving

responses to the interview questions, the pilot interview also provided the authors with a better understanding of the business context in the relevant adoption period. This facilitated the further process of developing the interview guide. After the first interview was conducted, small adjustments in the interview guide were made to better fit the interview situation.

The interviews occurred over phone due to physical distance and lasted approximately 30-40 minutes each. Both of the authors in the study participated in the interviews where one had the task of engaging in the conversation and handle the progression of the interview to cover the interview guide and ask probing questions. The other one focused on writing down what was said during the interview to capture the essence and valuable topics during the interview. In addition to these notes, the interviews were recorded and transcribed for improved scientific results where it enabled a more precise analysis and reflection (Ryans, Scapens & Theobald, 2002). It also simplified the use of quotations which are presented in the empirical findings to better illustrate the responses and situations in the way expressed by the interviewees.

3.3. Data Analysis

The collected data was coded in two cycles to bring qualitative validity while still maintain a creative development and be open for unexplored findings as suggested by Gioia, Corley and Hamilton (2013). First, the interviews were broken down into multiple codes to be able to pursue the second cycle where patterns within these codes were identified and clustered into fewer categories (Miles et al., 2014). The coding process was performed in an inductive manner, since the motivational drivers of incompatible early adopters had not been discovered before. Hence, no pre-set codes of motivations were possible to search for in the data. Instead, the codes arose during the process. Using this method allowed the researchers to be more open to what was given from the data and uncover the motivational drivers instead of trying to fit it within a pre-categorised list (Miles et al., 2014).

In the first cycle of coding we focused on the interviewees' perceptions of the event and their own words by dividing each interview into codes of words or small explanatory sentences describing what had been stated (Gioia et al., 2013). The coding process of each interview was first performed individually by the researchers. After the separate codes had been produced, a comparison of the results was made in order to see where extracted results were the same. In occasions where discordant or contradicting codes appeared, further discussion followed to reach a common understanding. This was done to increase the validity of the analysis and reduce the bias that can arise when using the interpretation of only one researcher (Smith, 2003). Additionally, small adjustments of the labels were made in order to make codes with similar meaning to have the same term, which was needed due to the separate coding process. Extracted from the first cycle of coding was a collection of a large number of codes.

In the second round of coding, greater focus on a theoretical perspective was implemented, trying to find out how the data could explain anything about the phenomena of interest (Gioia et al., 2013). Here, the researchers tried to find the motivational drivers of adopting the BSC. The codes from the first cycle were divided

into the stages of the conceptual framework and compared within each organisation and between all of them to try to find patterns. From the data analysis, it was considered to increase the clarification of the stages and the extraction of motivations by modifying the process. Beal and Rogers (1960) suggest that not all stages appear in every situation, hence, combining and compressing the framework create a stronger distinction between the stages and enhance the use of the process. During the coding process, we discovered that the time-course after the decision did not add value to the understanding of the incompatible early adopters' motivational drivers to adopt as speculated beforehand. One of the original predictions was that incompatible organisations would adopt early based on the organisation's ability to change the innovation and make it fit over time in accordance with re-invention, "*the degree to which the innovation reforms and develops during the process depending on its users*", in the implementation stage (Rogers 1983: 16). Such an effect was not identified from the data collection when searching for motivational drivers among incompatible early adopters. This resulted in the abandonment of these two stages in the empirical findings to be able to concentrate on the data leading up to finding the motivational drivers. Accordingly, the conceptual framework in this study is outlined in the following stages: prior conditions, knowledge and persuasion, and decision. It differentiates from the innovation-decision process (Rogers, 2003) by combining the stages of knowledge and persuasion, which originally are two separate stages. This was done since it was hard to distinguish between the events occurring in these stages. Finally, the decision stage receives focus on presenting the motivational drivers to why an incompatible organisation takes the decision to adopt early rather than to just depict the adoption or rejection.

Within each of these stages, we drew out the main contribution to the purpose of the study. A table (Table 1) was created to provide a clearer perspective of the chronological order of the events per organisation, but also to show a coherent structure across cases in order to make a comparison more feasible. The outcome of the coding process will be outlined in the empirical findings which will result in a subsequent cross-case analysis in section 5.

4. Empirical Findings

4.1. Organisation A

4.1.1. Organisational Conditions Prior to the Introduction of the BSC

In 1990, the interviewee acquired a position in Organisation A as business controller. A total number of 23 employees worked in the finance department in the beginning of the '90s when the issue of changing its management control system appeared. At the time, the organisation was in a position where the operations at the finance department were featured by a lot of manual and time-consuming assignments. The main management control system used was budgets. The interviewee expressed an absence of an instrument that collected and connected the management control mechanism and that could provide the organisation with a clear structure of its processes. He further explains the management control as:

"It was mostly divided efforts and measurements of performance. You could not see the whole chain of production and how the economic process was, nor the profit-driving factors. You could not see the whole picture."

Overall, the organisation was perceived as a central actor in its industry due to good reputation on the market, strong client base and product mixture, according to the interviewee. The organisation had a well-articulated and clear vision of where it wanted to go. However, it was lacking what to measure and which management control system to use to reach it. In the early '90s, the organisation was certifying its business in accordance with the ISO 9000. In order to do so, it was required to implement a business plan and a management system.

During this time, the organisation was experiencing changes in the area of IT. For example, the interviewee received the first computer in the organisation and the finance department started to handle a lot of information in big data environments. The new influence of IT was a way for the organisation to simplify its course of doing business and to measure even more factors. Even though IT was something occurring in many organisations at the time, the interviewee perceives the organisation as having rather developed processes, especially in the technological processes due to the orientation of the business.

4.1.2. Forming the Adoption Decision in the Knowledge and Persuasion Stage

The process of certifying for ISO 9000 made the organisation work through its present situation and find areas of improvement. Throughout this, a management control system consisting of several perspectives appeared. The design of it was based on what the organisation thought was essential and important. The interviewee expresses that he entered the organisation with a view that *"this, we must be able to do more effectively in some way [...] and it was I who drove a lot of this development at that time"*. In addition, he explains the collaboration with his colleague who was in charge of the ISO implementation:

"She worked a lot with the ISO-certification and the management system [...] It was she that drove [the development of the management control system] as well and helped me to make this a tool or something we used in the organisation"

However, the BSC in the version of Kaplan and Norton (1992) was never actively introduced or present, it was rather a term it could be described as while looking back at it afterwards.

The organisation desired to see its organisational development better, know what was important, show what the organisation was controlled on, and have parameters that showed when it was heading in the wrong direction and hence be able to make decisions about actions to take. The wish to acquire an internal transparency within the entire organisation, both at management level but also among employees was in focus. This transparency signified *"what we consider important, this is what we control on, this is what we measure, and this is what we expect"*. On the other hand, the situation and how the adoption of BSC would appear towards the rest of the industry were not impacting factors during the adoption period, it was rather brought up later.

The organisation performed a pilot test of the BSC in the production unit which was “the heart of the organisation”. This was executed to evaluate the BSC’s time, speed and quality efficiency and to see if it could be used within the organisation. It was an evaluation of the methodology of the control system, the interviewee explains. The positive results from the pilot test contributed with, firstly, the sought-after transparency throughout the entire organisation, secondly, a common understanding in the organisation of what was defined as performance and thirdly, the intra-organisational understanding of what was important.

4.1.3. Motivational Drivers for Deciding on Adoption of the BSC

“As a result of us making a commitment to certify us for ISO 9000 and that called for business plan and a management system et cetera. That was when these questions emerged. What we would need to strengthen. So, I do not think we directly spoke about BSC in that sense rather it became the concept when we rounded up. But during this process we had to work through what we wanted to improve, goal-oriented control and measurements of the business, and that was when this started to dawn.”

Since the organisation aimed to obtain the certification of ISO, deciding to adopt the BSC was very driven by this ambition and the appurtenant changes of the clarification of the management process and the management control. The intent was to structure and collect the organisation's processes in a centrally coordinated tool. The finance department had a central role in structuring the implementation with the outcome of a strengthened common thread in the organisation. Additionally, it had made the management control more explicit once it was defined. In that way, the BSC was adopted “to reinforce and clarify what parameters were actually needed in that process [obtaining the ISO-certification]”, the interviewee expresses.

4.2. Organisation B

4.2.1. Organisational Conditions Prior to the Introduction of the BSC

Organisation B was market leaders regarding volume and appearance towards customers in its industry around the time the BSC entered the organisation. The organisation had continuously strived for improvement which makes the interviewee describe the organisation as very innovative, especially regarding production and delivery to customers. During the ‘80s, Organisation B was influenced by owner relations. Firstly, it was owned by an American company which helped the organisation to structure its technical equipment and created an IT department in the organisation. Hence, an early introduction of computers occurred due do the competence of the owner. This showed to be a useful component in its material heavy business. Secondly, in 1987, the business was acquired by a French company where instead regional and local control was emphasised.

In the beginning of the ‘90s, multiple events occurred which had effects on the organisation. The present economic crisis in Sweden caused movements in the organisation to best match and place resources where they were needed the most. Besides the BSC, the organisation also introduced a big improvement programme

which aimed to provide a way to handle problems and increase efficiency. This included organisational discussions which led to a divisionalisation, where the production unit was divided into three entities based on the customer segment.

4.2.2. Forming the Adoption Decision in the Knowledge and Persuasion Stage

Around the same time as the improvement programme was introduced, a new production technician was hired who introduced a form of goal-oriented control to the organisation. It contained operational objectives to strengthen the production's need for improvement. The interviewee explains it as *"he came in with, for us, new ideas"*. The ideas consisted of different measurements which the organisation previously was unfamiliar with, and the term BSC appeared. The production technician developed a production monitoring system based on these measurements.

In addition, general discussions appeared between departments on how to make improvements that could facilitate a forward-moving process. The main progress was materialised in the production unit according to the interviewee, but the advantage of being able to bring different departments together to create a common base and understanding for future improvements was also important aspects of the process. In addition, external business consultants were employed to help the organisation with the development of the production monitoring system which was built from scratch by the production technician in a project leader position.

Adopting the BSC was a way to build incentives through bonus systems to motivate improvement within the organisation. When considering the adoption of the BSC, the aim to constantly optimise capital employed received a large focus. It was a way to set objectives, become better than before and make the organisation more efficient. The interviewee expresses it as the aim was not to work with too many different ideas but instead focus on a smaller, more concrete number to find improvements.

A strong customer focus had a ubiquitous presence in the organisation which contributed to the adoption process. Having constant dialogues and collection of data regarding the customers were crucial in finding ways to improve. Furthermore, Organisation B had always strived to be on the leading edge of its competitors. Hence, this ambition was not something that was unique for the process of adopting the BSC. However, the areas of improvement were handled solely internally, it did not matter what other organisations did. Additionally, the owners influenced the manner in which the organisation was structured as aforementioned and gave the possibilities and prerequisites to develop how the management control system was handled in the organisation. The implementation of the computerisation contributed with facilitating the controls and the interviewee states that the organisation *"had [its] own IT-department and a strong data department that have been creative and tried to find new ways of measuring and improving continuously"*.

4.2.3. Motivational Drivers for Deciding on Adoption of the BSC

When the new production technician entered the organisation, he came from outside with ideas obtained in his previous environment. The term and management control system BSC was included from his entrance; he brought ideas into the organisation and incorporated the BSC into the production monitoring system. Based on this prior knowledge, he had a vision on how to reach higher efficiency in the production of the organisation. Therefore, the decision to adopt was *"inspired by the production technician"*.

[...] He brought with him those thoughts from where he had worked before which made him receive audience together with the consultants". Once he had joined the organisation, he devoted several years to develop a strong production monitoring system where one part of it was the BSC.

The new production technician implemented operational objectives which were directed towards the own needs of the organisation for improvement of the production. No suggestion of it being linked to any higher strategy objective can be recalled, the primary focus was rather to ameliorate the production unit. The content of the new system was many local objectives which were developed in collaboration with the different production teams. Production was the central area where most of the business activity occurred.

4.3. Organisation C

4.3.1. Organisational Conditions Prior to the Introduction of the BSC

Before the introduction of the BSC, the only management control system used in Organisation C was the statement of profit and loss. The organisation was managed by historic data where it was intended to anticipate the future based on that information. With the mindset that the organisation was too backward-focused and lacked the activities of moving forward, the interviewee entered a new position in the organisation. He transferred from a position as controller without employee responsibility in the production unit to become finance manager of the organisation with solely one superior manager, the financial director. Hence, it was his first time in an influential position. As a consequence, the interviewee understood that he possessed the power to realise changes.

At this time, the organisation did not actively seek new ways of performing or consider any alternative to the management control system until a new alternative would emerge. However, the organisation had upgraded to a more technically advanced accounting system from the previous continuous stationery paper and realised its future potential by having gained an advantage over its competitors. The organisation was a central actor in its industry by being the market leader and recognised as the most well-known brand among customers.

4.3.2. Forming the Adoption Decision in the Knowledge and Persuasion Stage

The BSC first appeared in the organisation after the interviewee personally read an article in a business magazine sometime around 1996. He proceeded by gaining the approval of the board on starting a process of adopting the BSC where the board had the opinion that the idea seemed interesting. Reaching outside the organisation, the interviewee came in contact with a group of students from a business school that were interested in a collaboration with the organisation, whereupon the interviewee suggested a project around the new idea of the BSC. The students dedicated time to this report by interviewing and getting to know the organisation. Furthermore, these students were granted free rein to construct a BSC for Organisation C within this project.

The students produced KPIs needed in the organisation and combined them with some performance indicators that the organisation considered obligatory through

evaluating the technical possibilities of the scorecard and its viability in the organisation. At the same time, the interviewee and other key personnel of the organisation spread the word of the BSC within the organisation. The result of the project was a BSC containing *“which KPIs we should have in a financial perspective, our internal processes, development and customer”* in accordance with the idea of Kaplan and Norton (1992). The adoption was made in all divisions of the organisation simultaneously and the interviewee states that *“we did not even think of starting small as we had received plenty of time from the students and the evaluation”*. After the final presentation from the interviewee and the students, the board approved the result and perceived it as a good approach. Consequently, the organisation was managed by the BSC that had been produced by the students.

The main advantages with the BSC were, according to the interviewee, the possibility of earning more money. By equipping the organisation for the future and no longer focus on what had already happened, the organisation was able to come up with ways of improving its internal business processes. This included looking at several aspects of the business, and to actually have something specific to produce and present each month. Another advantage was the clarity with the BSC, to be able to see: *“this is what it will look like”*. No consideration was taken to what the rest of the market and the competitors did. In fact, the interviewee rather suggests that the competition would perceive an even bigger threat from Organisation C if it would succeed with the adoption.

4.3.3. Motivational Drivers for Deciding on Adoption of the BSC

The interviewee thought the idea of BSC was interesting and with attempts to establish the idea with the board, he managed to get it to share his opinion. The interviewee found a passion in the BSC; he knew himself that something needed to change and according to him the BSC was the way to go. The board complied to the idea as it was brought up by the interviewee and he was given permission to start working with the students and to spread the word about it in the organisation. Even though others in the organisation also saw problems with the current situation, the interviewee expresses: *“if I didn't do it, no one else would have either”*. Moreover, the process was not without struggle; the older and more experienced employees met the new idea with some scepticism. With statements such as *“let him be”* and *“he will probably get tired soon”*, the interviewee persisted down his path.

By sharing the idea and knowledge about the BSC, the majority supported this new way of controlling the organisation. The support from the board further endorsed the engagement of lower levels in the organisation as well. With the drive of the interviewee, he made sure that everyone in the organisation was involved from the start and knew what the BSC was about. Nevertheless, the interviewee suggests that the board wanted to put more flesh on the bones prior to the decision than usual.

The BSC-project had resulted in new ways of controlling the organisation and especially the products had seen an uplift in improved ways of identifying the products of the future. Hence, the organisation was satisfied with their work.

4.4. Organisation D

4.4.1. Organisational Conditions Prior to the Introduction of the BSC

Organisation D came from several changes in its business before being introduced to the BSC. Before 1990, a new CEO was appointed who started an extensive change initiative soon after his entrance. The CEO considered that actions had to be taken due to the organisation's former high turnover of staff and lots of sick leaves, in combination with the financial crisis in Sweden in the early '90s.

*"You shouldn't see crises as bad, rather as possibilities. Then you can re-group and develop new concepts [...] We started to clean up in our workshops and develop the new Toyota-concept."*¹ (CEO of Organisation D, 2015)

This decisive event happened in 1993 where the CEO and two other senior executives decided to start implementing lean in Organisation D, drastically changing its way of doing business. The work with lean was seen as something extremely innovative according to the interviewee, especially in comparison to other organisations in its industry. Hence, Organisation D was capable of moving ahead and had continuously higher profitability.

Organisation D was a company that had a good image, high profitability, strong brand and satisfied customer which made it an important actor in its manufacturing industry. The interviewee had a role as controller in the department of procurement and production, where the interviewee played an important role in producing the organisation's goals and controls.

4.4.2. Forming the Adoption Decision in the Knowledge and Persuasion Stage

Organisation D had always had more than simply financial goals. Therefore, when the BSC emerged, the interviewee did not consider it as something new, as mixing hard and soft values was something Organisation D had always done. Nevertheless, the BSC entered the organisation and brought up new discussions. The BSC was introduced and received the most prominent contact when a professor from a business school entered the organisation with the mission of producing a BSC for a production unit. The evaluation had considered the application of such scorecard in the unit and what it would look like. By taking in, testing and evaluating possible BSC solutions, the organisation was able to reflect over which goals it deemed the most important. In addition, higher management went to conferences to collect more information, they went to "experience meetings" and the talk about the BSC was all around it in the mid-'90s. Furthermore, Organisation D looked at what competitors did and sought for ways to imitate the best. The interviewee states "we follow the stream with the new tools and new techniques and new trends that emerge".

The BSC attracted Organisation D by having a clear way of looking at KPIs, preferably on dashboards. The interviewee says there was a desire to show the progress of the organisation in a simple flash and describe the status of the whole organisation. However, the interviewee also states that the organisation was missing the technology to successfully start using dashboards at the time. Further attraction to

¹ Due to the promised anonymity of the study, the current reference cannot be included as it would compromise the source)

the BSC was a desire to improve the measurement of performance, where the BSC aided in the development of such KPIs bringing forth the discussion on what KPIs to use and how to succeed with its overall strategy. Even though the organisation had always used KPIs from several perspectives, improvements were made in the implementation of these perspectives by examining the BSC.

“BSC did the positive that we talked about what KPIs to have to follow up the strategy, so it was obviously positive that we did [look at] it. And it did, probably, that we became a little better at trying to include the different perspectives: cost, quality, delivery and development.”

4.4.3. Motivational Drivers for Deciding on Adoption of the BSC

Even though the organisation adopted the BSC, it was overshadowed by the implementation of lean which started a couple of years before.

“At [Organisation D] has the management control been a lot about: how we have implemented lean and implement lean and our modernised system. We have had a product strategy that builds on modernisation and a business strategy that has been built on lean and how we control our operations with core values and principles and methods [...] and that radically overshadows everything the BSC did.”

The organisation invested a lot of resources in the implementation of lean and “for me, to roll out what was the BSC-fad in this is hard”, the interviewee explains. Still, the lean of Organisation D was indirectly affected by the efforts that were put into the BSC. Lean had shifted the organisation from the recent decrease in performance and the introduction of the BSC played a small role in all this, suggests the interviewee. Yet, the BSC strengthened the view that it is a “wise truth to measure everything” - more than just EBIT and cash flow. At the same time, the BSC would reduce the risk of sub-optimisation and it helped the organisation in how it sets targets.

“If we say that staff is an incredibly important resource and you manage on cost and profitability then you might believe that it is a wise idea to close down an important department. If you don't measure that this important department produces tomorrow's business or that the employee's satisfaction is what keeps the image maintained - then you miss out on important factors.”

Therefore, even though the role of the BSC in the organisation was unclear, efforts were made to avoid any sub-optimisation and improve the inclusion of the different perspectives. The BSC in Organisation D aided the assembly of KPI-reports that were intended to cover different areas, by making strategic plans and proposing KPIs in the different perspectives to fulfil these goals.

5. Cross-Case Analysis

Examining the findings from the interviews, several similarities and differences among the organisations in their adoption decision can be found. In Table 1 and the subsequent text, we have summarised and elaborated the main findings from the previous section in a cross-case analysis.

TABLE 1
Summary of Empirical Findings in Each of the Stages of the Conceptual Framework

	Organisational Conditions <i>Prior to the introduction of the MAI</i>	Knowledge & Persuasion <i>First awareness Forming the attitude</i>	Motivational Drivers	
Organisation A	New employee ISO Computerisation Central actor	Discussion entangled into BSC	Pilot test Find transparency Knowledge of what and why the organisation was measuring	ISO-certification
Organisation B	Strong owners Improvement programme Divisionalisation Central actor	New production technician Common discussions	Optimise ROCE Continuous improvement objective Consultants	Production technician
Organisation C	Young employee in new power position New accounting system Central actor	Read an article in a business magazine	Student report Earn more money	The strong motivation of the interviewee to make changes in the management control system
Organisation D	Implementation of lean Central actor	External help from professor Conferences	Improve and clarify KPIs	Succeed with lean

5.1. Organisational Conditions

In three out of four organisations, we saw a change of employees which later would impact or drive the process regarding the BSC. The position of these individuals has, however, been different. In Organisation A and C, individuals entered the organisation or a new role in the organisation and had the perception that the current management control was problematic and in need of improvement. In contrast, in Organisation B the individual came in with previous ideas and a mindset regarding

the BSC. However, since the entrance of this employee contributed directly with the introduction of the BSC, it is considered to be in the knowledge stage.

Changes in the setting in which each organisation acted in were faced by all organisations. For two of them, the changes were particularly affecting the decision of the BSC where organisational actions had been taken regarding an ISO-certification and the adoption of lean, respectively. Furthermore, general changes occurred. Observed in the interviews were the economic crisis, and more substantially, the importance of the IT-trend that emerged around the '90s. For Organisations A, B, and C this meant new and improved ways of managing the organisation and become more efficient by introducing computers to the function, form new techniques and a new IT-department, and implementation of a more technically advanced accounting system. While Organisation D was of the opinion that the technology was still not good enough to effectively use the BSC in certain business areas.

5.2. Knowledge and Persuasion

The way the organisations came in contact with the BSC differed. While it was driven by a general discussion which later resulted in a BSC in Organisation A, it was the new production technician that brought it with him to Organisation B; even though common discussions occurred here as well. For Organisation C, the newly appointed finance manager read about it in a business article and his interest was captured. Lastly, Organisation D gained knowledge about the BSC through conferences, "experience meetings" and guidance from a business school professor. Utilising external help was not exclusive for Organisation D; it was assimilated in different ways by all except for Organisation A. In addition to the abovementioned, Organisation B had help from hired business consultants and Organisation C brought in students to create a BSC for the organisation.

When forming an attitude regarding the BSC, we could find motives explained by the interviewees as being part of the discussion, but not expressed as strong enough to lead to the decision on its own. Organisation A was talking about ways of finding what was important, get transparency and uncover how to improve in the discussion regarding the ISO, while Organisation B rather wanted to keep improving the organisation in general and more specifically its capital employed and increase efficiency. Similarly, for Organisation C, the part of the discussion that helped form its attitude mostly concerned ways of earning more money and prepare the organisation for the future, together with the extensive evaluation by the students. In Organisation D, the discussion about the BSC was mostly about finding improved and clarified ways of using KPIs. Summarising these findings, an overarching pattern can be identified. Organisation B and C were actively striving for ways to become better in the future and gain economic benefits, while Organisation A and D were more concerned with finding the right KPIs and what to measure.

Based on the notion that all organisations were perceived as central actors within its industry from prior conditions, the organisations also considered their social environment to some extent. Organisation B wanted to be ahead of its competition and to have a good reputation among its customers, and Organisation C had the perception that if it succeeded with the BSC, its competitors would be under more pressure. In

the contrary, Organisation D looked at what its competitors did and followed their lead as to not lag behind.

5.3. Motivational Drivers

Within each organisation, one specific motivational driver was noticeably more important when they went from discussion to decision. Reviewing these motivational drivers, they can be divided into two different types. Since Organisation A aimed to obtain a certification of ISO and Organisation D worked towards implementing lean, the first type of motivational driver identified is the existence of another objective that was present in the organisation at the time which supersedes the adoption of the BSC. In Organisation A, the call for a change in management control system came across once the certification of ISO 9000 was decided which included requirements needed to be fulfilled. Hence, the organisation was searching for solutions and manners to reach its objective of ISO-certification. Organisation D was a visionary in lean in Sweden at the time and the BSC was merely seen as a complement to this management control system. These superordinate objectives were the focus rather than the importance of the BSC per se.

For Organisation B and C, important individuals were active to such relevance that their existence made the organisation adopt the BSC. For Organisation B, the production technician with his previous experience and development of a new production monitoring system convinced the organisation to adopt the BSC. Whereas, in Organisation C, the individual acquired a position where he possessed the power to impact and came with a view that the previous way of managing the organisation was inadequate. He argued for the need to include other measures than the statement of profit and loss and once he advanced to the position with power, he started to act on it with a drive to make improvements.

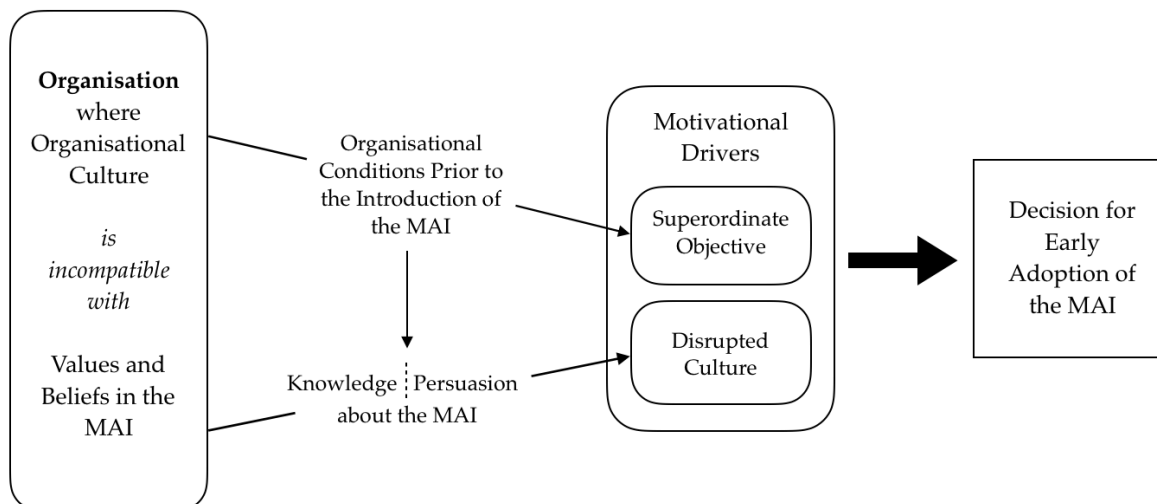
6. Discussion

The purpose of this study has been to investigate the motivational drivers of incompatible early adopters to extend the present literature. Previously, research has been unable to identify such motivations for this group (Love & Cebon, 2009; Ax & Greve, 2017). This study is able to recognise organisation-specific factors that broaden the understanding of motivational drivers of the incompatible adopters and why they decide to adopt a MAI in an early stage of the diffusion.

In Figure 2, we supplement our conceptual framework by including the two motivational drivers identified in this study to explain the adoption of incompatible early adopters. These are (1) superordinate objectives - other organisational objectives which have superior priority in the organisation and (2) disrupted culture - the entrance of individuals who appear to not be incorporated into the organisational culture. We found that the existence of a superordinate objective originated from the organisations' prior conditions and was a central part in the discovery and subsequent adoption of the MAI, whereas the disrupted culture arose when the idea entered the organisation in the knowledge and persuasion stage. Either of these motivational

drivers is what ultimately drives the incompatible organisations to the adoption of the innovation.

FIGURE 2
Motivational Drivers of Incompatible Early Adopters Identified in the Decision Process



In addition, indications have shown that additional motives are present in the adoption process which affect the decision but cannot by themselves make the organisations adopt. These have been observable in two different ways. Firstly, additional motives that have been directly discussed in relation to the motivational drivers and will therefore be considered in conjunction with these. The observations made were a will to improve KPIs when attempting to achieve the superordinate objectives, while seeing economic benefits when the culture is disrupted. Secondly, we have also found additional motives with no obvious or limited impact on the decision. The computerisation and other environmental changes occurring in the organisation may have affected the subsequent process as suggested by Micelotta, Lounsbury and Greenwood (2017). According to them, the impact of exogenous shocks and macro-environmental changes could work as triggers for institutional change. Even though the change of computerisation was discussed as enabling new ways of dealing with management control and activities in the organisation, no direct evidence was found to how it affected the specific decision of the MAI. Additionally, the structural position had no unified effect on the adoption motivation among incompatible early adopters. In contrast to the findings of Compagni et al. (2015), we could not identify, among our incompatible early adopters, how these, as central actors, were uniformly framing the innovation as a threat. Therefore, the evidence for either of the second type of additional motives' effect on the motivational drivers is not strong enough to explain the adoption decision and will not be discussed further.

In the following part of the discussion, we will deliberate the new understandings of motivational drivers to explain how these contribute to the adoption of incompatible early adopters.

6.1. Superordinate Objective

Extracted from prior conditions, we found that the impact of other objectives present in the organisation can have the power to overshadow the importance of compatibility between the organisation's values and beliefs and those embedded in the MAI when deciding to adopt. In this study, the certification of ISO and the implementation of lean were observable as how other objectives in the organisation are involved regarding the adoption of the BSC. Withdrawn from this, the main task is not to see if the organisation is compatible with the MAI, it is rather to see if the MAI can be incorporated as a mean to reach its superordinate objective of becoming certified or having a successful implementation of another management concept. Hence, the main explanation to why these organisations were incompatible adopters was their objective to reach the superordinate objective by which the adoption of the MAI was capable of helping them with. The focus was rather to take parts of the MAI which could supplement their main objective. To enhance this, we draw attention to the pattern found among the additional motives in the knowledge and persuasion stage of these organisations which were to find new ways to measure the organisation's performance. Hence, they were seeking tools which would help to measure for strengthening and clarifying the superordinate objective.

The question arises as to how they reached this decision. Oftentimes organisations are perceived as vehicles for solving complex problems (Cohen, March & Olsen, 1972). Yet, they (1972: 2) also suggest that organisations "*provide sets of procedures through which participants arrive at an interpretation of what they are doing and what they have done while in the process of doing it*". This could be exemplified by the case of Organisation A where the BSC was never explicitly labelled. Instead, when looking back at what it had done to succeed in obtaining the certificate, the implementation was viewed upon as a BSC. Our findings of early adoption of MAIs as being subordinate to something else are consistent with the presumption that decisions rather are outcomes of several independent streams within an organisation, like a garbage can process. Cohen et al. (1972) built a decision process model in which problems and solutions are dumped in a metaphorical garbage can as they are generated. Their theory defies the most convenient way of thinking about decisions, that is, as a linear process from different alternatives, then to evaluation and finally a decision. Instead, problems are solved in ways which no one expects, and that is what appears to happen in this study. Our findings explain that what makes the incompatible early adopter decide to adopt the MAI is arising as a solution to an existing problem in another process. The organisations recognised the capabilities of the MAI and utilised it as a way to put the superordinate objective into practice. In this way, the adoption of the current MAI is a mere coincidence. The technical advantages that this MAI happens to provide coincides with the, at the time, required complements that the superordinate objective needs in order to be achieved. Therefore, the reason it is adopted is that it works as a complement to the superordinate objective the organisation is pursuing.

Finally, the superordinate objective also features as an explaining factor for the timing of adoption and why it is made in the early stage for these organisations. As suggested by Love & Cebon (2008), the late stage of diffusion is driven by the three processes of imitation, theorisation and institutionalisation that press out heterogenous adoption patterns. However, in the early stage considered here, the field

level has yet to reach an institutional consensus on the best practice. There are few organisations to imitate and the MAI has yet to become institutionally legitimised. In particular, the field level activities of knowledge entrepreneurs to make a theorised model of the innovation have yet to be started. Our findings indicate such a situation since the majority of the organisations showed no awareness of such theorisation existing as the adoption processes were handled internally and no particular interest was shown to social pressure. Thus, the MAI is “open” for the incompatible early adopters to make their own interpretations and relate to it as they see fit. The incompatible early adopters have the possibility to translate and edit the innovation to utilise it as a mean to achieve their superordinate objective (Sahlin-Andersson, 1996), and do this without the restricting power of established theorisation.

6.2. The Disrupted Culture

The second motivational driver found is the impact of individuals in the adoption process. Love and Cebon (2008) and Ax and Greve (2017) have shown how a cultural fit is important and thus implying that a change initiative would be arduous to implement if there were a cultural gap between organisational members and the innovation (Detert et al., 2000). Accordingly, for the incompatible organisations to find and pursue adoption of the diffusing innovation, their cultures need to be disrupted in some manner.

One reason for the organisational culture to be disrupted derives from an external person entering the organisation. With the incoming person having previous experience with the MAI, the incompatible early adoption is explained by this new employee's ability to enter and persuade the organisation of its benefits, while its compatibility with the organisation is not actually evaluated. From this previous experience, the newcomer is presumed to be compatible with the MAI, which explains why the cultural disrupter is able to see additional motives of wanting to improve and achieve economic benefits. The compatible disrupter sees these potential benefits and the remaining organisation is convinced of the new ideas by the new individual.

Compagni et al. (2015) theorise this type of diffusion of an innovation as *migration* and how it facilitates dissemination by transferring knowledge and skills from a previous adopter to a new one. The proposal is that migration takes place as a promotion for adoption after the move by the individual arriving due to his or her previous knowledge (Compagni et al., 2015). By entering the organisation with the existing knowledge and a positive attitude towards the MAI, it enables the individual to persuade the organisation. This way of diffusing the innovation to an incompatible organisation is possible as long as the individual has not been with the organisation for a longer period of time. Because, usually the individual goes from newcomer to insider in a process called organisational socialisation, which typically takes six to ten months (Louis, 1980). However, in this instance, the individual has yet to adapt to the new culture which means he or she still has the mindset of his or her old employer. Hence, the incompatibility is not visible for the newcomer. Rather, his or her perception has a compatible approach which enables him or her to see the economic benefits possible to extract from the MAI. This explains how the individual has convinced the rest of the organisation that the observed additional motives in the

persuasion stage are suitable and achievable. Nevertheless, migration is largely connected to the late stage of the diffusion, when the innovation has already gained recognition. The explanation for the observation of this in the early stage is once again the lack of theorisation, where the person enters with a way of using the BSC which is not necessarily the exact way the BSC later comes to be institutionalised as.

The adoption being driven by one individual is also consistent with the theory of institutional entrepreneurship. As the MAI represents a possible institutional change, the institutional entrepreneurs pose as an institutional trigger enabling this change (Micelotta et al., 2017). An institutional entrepreneur is someone who creates and legitimises new technical and cognitive norms (DiMaggio, 1988). One example of these are individuals termed “champions” who can enter or exist in organisations and give the innovation a boost to gain recognition in the organisation as well as fit it into the organisational context (Rogers, 2003). This is in accordance with the work of the individual in Organisation B who migrated the MAI. In addition, the work of a champion was also present in Organisation C where the interviewee could be considered as one, demonstrating his qualities as a champion with the extensive work undertaken to introduce the BSC to the organisation. Goodman and Steckler (1989) describe these qualities of a champion as, firstly, occupying a key linking position in the organisation. Secondly, possess the intuitive and analytical skills in comprehending individuals’ aspirations, and lastly, have high interpersonal and negotiating skills while working with other members of the organisation.

However, our findings on Organisation C are not able to fully explain what puts the incompatibility out of play. In contrast to Organisation B, this person already existed in the organisation and is thus presumed to have been organisationally socialised (Louis, 1980). Therefore, we are unable to find an answer as to what was driving this incompatible organisation to adopt. Despite the presence of external support that does not possess the tacit knowledge regarding culture (Haldin-Herrgard, 2000), and could therefore potentially disrupt the culture, no such effect was evident of being the reason why it decided to adopt. This is due to the large involvement of the interviewee and the mainly positive perception from the rest of the organisation regarding the idea of the BSC who were integrated with the culture of the organisation and therefore they should have reacted on not perceiving the gains as achievable if the organisational culture was incompatible. In spite of follow-up contact to dig deeper into its motivational drivers, we have been unable to extract explainable findings. One possibility for this shortcoming is that other factors could have affected their decision, which our study has not been able to determine. We can only speculate on further possibilities. Research suggest that “*culture is not static; rather it evolves over time*” (Tung, 1996: 244). Studies have shown how the increased interaction between people from different cultures has led to more frequent cultural exchanges (Brannen & Salk, 2000). These different cultures can be substantiated by as little as geographical differences between cities and through generational differences, even within a single country (Tung, Worm and Fang, 2008). Based on this knowledge, we suggest that one possibility is that the organisation actually was compatible at the time of the adoption. However, as time passed, the organisation merged with a foreign organisation, which had an impact on the organisational culture and made it become incompatible before submitting the survey (Ax & Greve, 2017). This is also consistent with the finding that

this organisation had the additional motives of continuous improvement and optimisation of ROCE. Since *“compatible firms, but not incompatible firms, will be concerned with the prospect of achieving gains in adoption decision-making”* (Ax & Greve, 2017: 69).

7. Conclusion

In this study, we have aimed to find an explanation for what drives incompatible early adopters in the adoption decision of a diffusing management accounting innovation. These are organisations that do not have the same values and beliefs as those inherent in the MAI, yet still choose to adopt early despite what extant research states (Love & Cebon, 2008; Ax & Greve, 2017). We argue that what motivates these organisations to adopt can be divided into two motivational drivers extracted from the findings of the four incompatible organisations that we examine.

Firstly, organisations that have an intention to accomplish a superordinate objective in which the diffusing MAI rather becomes a mean on how to implement another management concept. Hence, the intention is not to be compatible with the adopted MAI, it is rather discussed and concerned as part of the process to achieve their superordinate objective. Secondly, the adoption is driven by the entrance of new individuals into the organisations with values and beliefs that differ from the rest of the organisation. These individuals are arriving at the organisation through migration with existing knowledge and prior experience with the MAI. Hence, they are able to perceive its benefits and enter with a will to apply it to their new setting.

Moreover, we also find why the adoption is made in the early stages of the diffusing process. We explain that this type of adoption is only possible under circumstances where the innovation has not underwent the field-level process of theorisation. If the MAI had already been established as a theorised model, the adaptation to superior objectives and migrated ideas would not be possible since the organisations would not be able to shape it and make it fit in their organisational context and with their needs. By uncovering the two motivational drivers together with the missing theorisation, this study is able to give an understanding to why incompatible early adopters are motivated to adopt a MAI.

7.1. Contributions

Our study contributes to the related body of knowledge in two ways. In the first, we present the contribution our research makes to the new-institutional literature on adoption of diffusing innovations through our empirical investigation. The second represents the contributions to the general literature on adoption research made by this study.

Firstly, we contribute to the research area by providing new knowledge to the models for adoption of MAIs that are based on new-institutional theory. Previous studies have showed a correlation between early adoption and compatibility between organisational culture and characteristics of the MAI (Love & Cebon, 2008; Ax & Greve, 2017). However, both Love and Cebon (2008) and Ax and Greve (2017) identify a small group of early adopters who still chooses to adopt the MAI despite being

incompatible with the MAI. In this study, we explain this gap by empirically studying the motivational drivers for adoption of BSC among this group of organisations. The knowledge that incompatible organisations adopt a MAI based on either of the two motivational drivers found in this study, as part of a superordinate objective or disrupting the culture in the organisation through migration, signifies that these organisations adopt based on different foundations. An assumption made in a previous study is that adoption is based partly on being compatible with the MAI and partly the ability to perceive it as efficient (Ax & Greve, 2017). By the findings in this study, we contribute that this assumption cannot stand alone to explain all adoption. Rather, our findings complement the existing models with insights on why the notion of compatibility is not sufficient to fully understand the adoption for all adopters of a diffusing MAI.

Secondly, this study also contributes to the broader literature on the diffusion and adoption of MAIs. Particularly, we contribute to recent developments that focus on the link between organisational culture and adoption of MAIs, and the relationship between motivational drivers and adoption timing over the diffusion cycle (Love & Cebon, 2008; Ax & Greve, 2017). This research portrays the adoption process as more complex than leading theoretical reasoning is assuming, specifically the two-stage new-institutional model of diffusion and contingency theory. Our contribution to this literature is a component to the classification of motivations to adopt MAIs, especially in the early stage of the diffusion process. Hence, we respond to recent calls in the literature for work on the motivational drivers of early adopters and the decision process of MAIs in this particular stage of the diffusion (Ax & Greve, 2017; see also Compagni et al., 2015). These findings highlight the significance of not simplifying theoretical models in terms of adoption motivations. In addition, it is important to acknowledge the possible dynamic interplay between values and beliefs inherent in MAIs, organisational characteristics (e.g. organisational culture) and the motivations for adoption over the diffusion cycle.

7.2. Limitations

While conducting this study, several limitations have emerged. Firstly, mainly one interviewee per organisation was used. With the inclusion of an extra interview for Organisation B, we were able to have contact with one individual from each organisation that were active during the studied period of time and hence knowledgeable about the event. However, receiving responses from several individuals per organisation would have broadened our comprehension about the organisational context and the decision-making process while adopting the MAI and perhaps contributed with an even more reliable outcome.

Secondly, with a retrospective study of this type, we were faced with a situation of studying individuals' actions a long time ago which brings potential recall bias. As time passes, events and decisions may be forgotten. Additionally, it may be the case that the interviewees have formed a post-rationalised view of their actions. Therefore, it was important to utilise our conceptual framework and the innovation-decision process to support the recall of events and remind them of surrounding events to have something to proceed from. Furthermore, with information from several individuals

within the organisation, it would have strengthened and made it possible to cross check the responses given by the interviewees. But since the adoption period for our organisations occurred 20-25 years ago, we had a challenge with finding knowledgeable parties to participate.

Finally, we were not able to find any explanation for describing the adoption of Organisation C. This implies that our methods need further development, and that the conceptual framework for incompatible adoption is not finalised yet. The absence of probable findings suggests that there could exist other factors that are affecting the decision, but which we are not able to proclaim in this study.

7.3. Suggestions for Future Research

To extend our study on incompatible early adopters, we suggest future research to undertake more studies on this group. We have found why incompatible early adopters are motivated to adopt the diffusing BSC among Swedish manufacturing firms. Future studies should attempt to identify more incompatible early adopters and their motivational drivers in other countries, industries and MAIs in order to strengthen the theory regarding diffusing innovations. Further, it would be of interest to derive such studies from the conceptual framework in this study to increase its accuracy and develop it further.

Secondly, as aforementioned, we were not able to fully explain Organisation C's adoption. This indicates that all factors affecting incompatible early adopters have not yet been discovered. Hence, the possibility of identifying other organisation-specific factors remains for future investigations.

Thirdly, the finding of superordinate objectives as motivational driver generates a further possible research area. The findings in this study suggest that this superordinate objective overshadows the incompatibility with the organisation. However, we do not know anything about the compatibility with the superordinate objective. Therefore, we propose an investigation to examine the compatibility between the organisation and the superordinate objective to see if this is of any importance. Further, it would be interesting to investigate the relationship between the superordinate objective and the MAI to see how the latter is motivated by the organisation to be the mean of succeeding with the superordinate objective, and how it is actualised in use to fulfil this purpose.

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Appendix: Survey Questions on Cultural Positions (Ax & Greve, 2017: 72)

Survey questions on cultural positions. (Translated from Swedish.)

(For i, ii, iii and v are lower values more strongly linked to the BSC and for iv are higher values more strongly linked to the BSC).

Question 4

Mark, for each pair of statements, the number 1–7 to indicate the position that is dominant in your organization. If there is no clear (unambiguous) opinion in any direction for a statement, then please mark the middle value (4), but the more clear (unambiguous) the opinion is about a statement, the lower/higher the number that should be marked.

(i) Decisions are based on facts. Information providing decision support explains/describes causality between important/relevant factors/parameters.	1 0	2 0	3 0	4 0	5 0	6 0	7 0	Decisions are based on intuition. Information providing decision support at best provides/offers a general/overall (less explicit) description/explanation of the situation/circumstances.
(ii) We adopt a long-term perspective. By deciding on/establishing long-term (consistent over time) objectives/targets and formulate/develop a long-term (consistent over time) strategy success can be achieved/attained.	1 0	2 0	3 0	4 0	5 0	6 0	7 0	We are adaptive/flexible. By continuously challenging our business/activities and adjusting/adapting our business/activities to the current situation/position success can be achieved/attained.
(iii) Individuals are motivated when clear targets/goals are presented/communicated and their performance is measured and are given/brought to the attention of others.	1 0	2 0	3 0	4 0	5 0	6 0	7 0	Individuals are motivated when they formulate/decide on their own targets/goals and their performance is evaluated/assessed by themselves.
(iv) Stability and consistency over time/continuity are important/highly valued. It is important that quality is maintained and that standards are achieved/reached.	1 0	2 0	3 0	4 0	5 0	6 0	7 0	Change and development are important/highly valued. It is important/vital to produce/achieve progress and innovations.
(v) Management is demanding and control organizational units by deciding on and following up measurable targets/goals.	1 0	2 0	3 0	4 0	5 0	6 0	7 0	Management is open/responsive to employee ideas/opinions and emphasizes/stresses control through shared understanding of the organization's visions and targets/goals.

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