

# Open Research Online

---

The Open University's repository of research publications and other research outputs

## Adoption of managerial innovations: effect of adoption rationales on the adoption process

### Conference or Workshop Item

How to cite:

Daniel, Elizabeth Mary; Myers, Andrew and Dixon, Keith (2008). Adoption of managerial innovations: effect of adoption rationales on the adoption process. In: Proceedings of the Annual Conference of the British Academy of Management, 9-11 Sep 2008, Harrogate, UK.

For guidance on citations see [FAQs](#).

© 2008 British Academy of Management

Version: Accepted Manuscript

Link(s) to article on publisher's website:  
<http://www.bam.ac.uk>

---

Copyright and Moral Rights for the articles on this site are retained by the individual authors and/or other copyright owners. For more information on Open Research Online's data [policy](#) on reuse of materials please consult the policies page.

---

[oro.open.ac.uk](http://oro.open.ac.uk)

**Adoption of Managerial Innovations:  
Effect of Adoption Rationales on the Adoption Process**

**Professor Elizabeth Daniel\*,  
Dr Andrew Myers\*  
and Dr Keith Dixon†**

*\*Open University, England and †University of Canterbury, New Zealand*

**Paper for the British Association of Management Conference 2008  
9-11 September, Harrogate, England**

Contact Address and Email for corresponding author:

Professor Elizabeth Daniel  
Open University Business School  
Walton Hall  
Milton Keynes  
ENGLAND

[E.M.Daniel@open.ac.uk](mailto:E.M.Daniel@open.ac.uk)

Conference Track: *Innovation*

Word Count (excluding summary and references): 6,449

**Acknowledgement**

The authors would like to thank the Research Foundation at the Chartered Institute of Management Accountants (CIMA) for funding the research described in this manuscript. We would also like to thank the managers within the case study organisations who gave their time and shared their experiences of adopting and implementing managerial innovations.

## **Adoption of Managerial Innovations: Effect of Adoption Rationales on Adoption Process**

### **Summary (max 150 words)**

The research seeks to explore the complex phenomenon of the adoption of managerial innovations. Four case studies were undertaken of the adoption of organisation-wide managerial innovations. These are used as a means of subjecting the rationales that Sturdy (2004) posited for the adoption of managerial innovations to empirical inquiry. The study also seeks to explore how the identified rationales may relate to characteristics of the subsequent adoption process, namely, the timing of adoption in the life cycle of the innovation and how long the adoption process takes. To our knowledge, this study represents the first such empirical exploration. The findings of the study will be of value to academics interested in studying innovation and practising managers who must make adoption decisions and manage the adoption process. It is recognised that the study is exploratory in nature and suggestions for further research are proposed.

## **Abstract**

The aim of the research is to explore the complex phenomenon of the adoption of managerial innovations by organisations, with an attempt to identify relationships between various elements of this process. Four case studies were compiled using interview data from selected managers. The data provided a means of subjecting the rationales that Sturdy (2004) posited for the adoption of managerial innovations to empirical inquiry. The study also seeks to explore how the identified rationales may relate to two main characteristics of the subsequent adoption process, namely, the timing of adoption in the life cycle of the innovation and how long the adoption process takes. To our knowledge, this study represents the first empirical exploration of the adoption rationales posited by Sturdy and their subsequent impact on the adoption process. The findings of the study will be of value to academics interested studying the adoption of managerial innovations and also practising managers who must make adoption decisions and manage the adoption process. It is recognised that the study is exploratory in nature and suggestions for further research are proposed.

## **Introduction**

Managers continually seek to improve the performance of their organisations. New challenges such as decreasing product lifecycles, global competition, customer's becoming more demanding and greater technological progress will present new problems to such managers and hence they will seek to find new or innovative managerial approaches with which to address these. However, when they do adopt such new practices, they are often criticised for being faddish (Downs, 1967; Kaluzny, 1982), with the new approaches being termed 'management fads' or 'fashions'. Such terms are pejorative and down play the significant costs incurred in adopting such innovations (Abrahamson, 1996).

Recent research indicates that the rate of production and adoption of managerial innovations is increasing and the life cycle of each innovation is decreasing (Carson et al, 2000). More recent managerial innovations also tend to be broadly based, often organisation-wide, and so implementing them has become more costly and disruptive of the organisation in question (Rigby, 2001). These developments have prompted greater scrutiny of how and why managers cause their organisations to adopt innovations. These derive from a variety of concerns, including managers striving to be fashion setters and facing difficulties both in selecting from the increasing choice of innovative tools and techniques, and in implementing their selections.

The aim of the research reported in this paper is to explore the complex phenomenon of the adoption of managerial innovations by organisations. Using a case study approach, the rationales that Sturdy (2004) posited for the adoption of managerial innovations are subjected to empirical inquiry. In particular, the research sought to illuminate how these rationales may relate to important characteristics of the adoption process, namely, the timing of adoption in the life cycle of the innovation and how long the process of adoption takes.

This paper contributes to the literature on managerial innovations and will provide valuable lessons for both academics interested in this domain and practising managers who must evaluate and implement managerial innovations within their organisations.

## Literature Review

An innovation may be defined as “any program, product, or technique which represents a significant departure from the state of the art at the time it first appears in the organization” (Kaluzny, 1982. p. 254). Most literature in this field understandably addresses the important areas of product, service or change innovation. Fewer studies have paid attention to managerial innovations, which may be defined as innovations that “affect the nature, location, quality and/or quantity of information that is available in the decision-making process” (Kaluzny, 1982. p. 254).

### *Sources of Managerial Innovations*

Abrahamson (1996) proposes the notion of *fashion setters*, who seek to produce and shape innovations. He identifies management gurus, business schools, mass media and management consultant firms as typical fashion setters. He also asserts that rather than ideas for improved practices arising spontaneously, “(t)hey [management fashions] are cultural commodities deliberately produced by fashion setters in order to be marketed to fashion followers (i.e. those who take up the fashions in question)” (1996, p. 263). Williams (2004) also identifies management consultants as being “involved in the production and engineering of management fashions, fads, buzzwords, buzz phrases and acronyms” (2004, p. 775), and in the selling of management change ideas and their successive application.

### *The Life Cycle of Managerial Innovations*

Various studies suggest that particular managerial innovations, like other innovations, follow a life cycle model (Ehigie and McAndrew, 2005; Swanson, 2001; Etorre, 1997). This life cycle has been demonstrated in several studies using bibliometric counts (e.g. Spell, 1999; Ponzi and Koenig, 2002). Carson et al (1999) suggest the following stages in this life cycle: invention, acceptance, disenchantment and decline.

These authors note that organisations are more likely to adopt an innovation while it is in the invention stage or acceptance stage and abandon an innovation in either of the latter two stages. As the times when (and speeds at which) different organisations and their various staff pass through this life cycle vary, a range of adoption possibilities arises. This led Rogers (1995) to posit that the adopters of any new idea or innovation can be categorised variously, as innovators, early adopters, early majority, late majority or laggards. Furthermore, there is the possibility that *laggard* organisations are only beginning to adopt an idea when *innovator* organisations are already abandoning it.

In addition to particular innovations having an adoption life cycle when considered across all organisations, it can also be considered to have adoption life cycle within a single organisation. Adoption starts with an initial comprehension stage, when the managers of an organisation first learn about the innovation and, importantly, how it might both address their needs and fit their organisation. Next come the decision process to adopt; implementation, which comprises undertaking the project, making it happen and bringing the innovation to life for its users; and assimilation, which is about making the innovation a part of routine, everyday practice. Finally, the organisation may choose to abandon or discontinue use of the innovation.

***Rationales for Adoption***

An important consideration in the adoption of innovations is the rationale underlying that adoption. Sturdy (2004) posited six rationales for the adoption of managerial innovations as described in Table 1. These rationales form a basis for the study described in this paper.

**Table 1: Sturdy's (2004) Rationales for the Adoption of Managerial Innovations**

	<b>Description</b>
<b>Cultural View</b> <i>- cultural resonance or meaning</i>	Highlights that the diffusion of ideas can be spread across cultures, for example, through globalisation, mergers/joint ventures. Local knowledge can act as a “bridge or barrier to transfer”.
<b>Dramaturgical View (Rhetoric)</b> <i>- successful rhetoric</i>	Focuses on the supply side of the relationship, the persuasiveness influence of management gurus, management consultants, academics, etc. and their presentation techniques. Overall impression management is vital, not necessarily the content.
<b>Institutional View</b> <i>- securing organisational legitimacy</i>	Now ascendant in organisational studies, this view accounts for social or societal influences on of organisational practices and that peer and shareholder legitimacy is sought more so than the efficiency and shareholder wealth maximisation concerns of the rational view.
<b>Political View</b> <i>- furthering career, function, status or control</i>	Broadly concerned with “the instrumental use of ideas to secure power and/or with their content in terms of their material and/or discursive power effects”. Basically “which ideas and practices are diffused depends in part on who has control of the means of dissemination” and “ideas flow mostly from the powerful”.
<b>Psychodynamic View</b> <i>- relieving anxiety and securing identity</i>	Associated with emotionally informed views and can be based on an impulsive decision to adopt ideas, which vary in how they benefit the organisation. A competing psychosocial process that involves both autonomy and belonging, and so, paradoxically, managers want to be seen to be using some new technique both before and at the same time as everyone else.
<b>Rational View</b> <i>- organisational effectiveness</i>	Based on a cognitive approach using proven models or techniques of decision making. Also associated with finding a solution to match a perceived problem or crisis, the search for ‘proven’ techniques and causal links between practice and performance.

As Sturdy (2004) infers, his six rationales adhere to a dichotomy common in modern management writing (e.g. Ansari and Euske, 1987; Boland and Pondy, 1983; Hopper and Powell, 1985). On the one side of this dichotomy is objectivity, associated with acting rationally from neo-classical economics perspectives. He does however note that his rationales are not necessarily mutually exclusive and that the adoption of ideas may be multi-dimensional.

Whilst the adoption rationales posited by Sturdy seem intuitively appealing, it interesting to see if they can be recognised in the adoption of managerial innovations in practice. Differing

adoption rationales may also be expected to have differential influences on how the innovation is adopted by the organisation, that is on its life cycle within the organisation. To our knowledge, the study reported in the remainder of this paper represents the first study to attempt to verify empirically the adoption rationales identified by Sturdy (2004) and to link these to characteristics of the subsequent adoption process.

### **Research Aim and Research Questions**

The research reported in this paper seeks to explore the complex phenomenon of the adoption of managerial innovations by organisations. In particular, it seeks to address the following questions

- Can the various adoption rationales posited by Sturdy be identified in actual adoptions of managerial innovations?
- How do differing rationales observed influence or relate to the subsequent implementation of the innovation?

### **Method**

The case study method is a widely accepted means of exploring the rich phenomena implicit in the research questions. They allow the issue of interest to be studied in its unique context, allowing interrelationships between factors to be explored and identified (Hoskisson et al., 1999; Eisenhardt, 1989). A way forward from such case study research is to produce propositions or models that can be developed by further qualitative means or tested by confirmatory approaches (Yin, 2003; Eisenhardt, 1989).

Regarding choice of case sites, the latest literature suggests that the most recent managerial innovations tend to be organisation-wide and that it is these types of innovations that managers are finding most difficult to implement. It was thus decided to focus the study on organisations that have recently adopted such organisation-wide innovations. Four organisations were identified, three had adopted and implemented *balanced scorecards* (BSCs) and the other had adopted and implemented a *programme management office* (PMO). After using the innovation for a few years, one BSC organisation had discontinued its use, thus allowing us to study the decline and discontinuance of an innovation.

For the purposes of this paper, the organisations have been anonymised and will be referred to as follows:

- Retail Bank (RB) have implemented and used a BSC and now discontinued its use
- County Council (CC) implementing a BSC
- Hospital Trust (HT) implemented and using a BSC
- Police Force (PF) implemented and using a PMO

Within each case study organisation, interviews were carried out with a range of relevant staff as shown in Table 2. These were a mix of senior managers responsible for the decision to adopt and managers responsible for leading the implementation. It is recognised that our interviewees did not include middle managers, other staff in the organisation and other stakeholders, including any detractors or opponents of the innovations. The findings of this

study therefore reflect the views of senior managers generally favourably disposed to the innovations.

**Table 2: Case Study Interviewees**

<i>Organisation</i>	<i>Number interviewed</i>	<i>Roles</i>
Retail Bank (RB)	4	1. Group HR Director 2. Head of Mortgages 3. Head of Retail Employee Relations 4. Head of Distribution Risk and Sales Quality
County Council (CC)	2	1. Head of Performance Improvement 2. Performance Improvement Manager
Hospital Trust (HT)	5	1. Chairperson 2. Director of Finance and Performance 3. Chief Operating Officer 4. Director of Human Resources 5. Deputy Director of Finance
Police Force (PF)	4	1. Head of PMO (Police Inspector) 2. PMO team member (Police Sergeant) 3. Manager, Performance Improvement Unit 4. Project Manager (Police Inspector)

Consistent with other case study based research, interviews were guided by an interview schedule derived from the research questions (Yin, 2003). The questions were semi-structured in nature. All interviews were recorded and transcribed. Summaries of the case studies were passed back to interviewees in the interests of accuracy, to maintain goodwill and continuing agreement for data to be used in the study findings, and give rise to the possibility of additional data (Chua, 1988). Within and cross-case analyses (Eisenhardt, 1989) were undertaken by identifying themes within the cases and then grouping or contrasting the cases according those themes. Tabular layouts of the case data according to the identified themes was used to aid the cross-case analysis.

### **Overview of Case Studies**

A brief overview of each of the four cases undertaken in presented in this section. Detailed data from each case relating to the research questions, including selected quotes, are presented and discussed in the following section.

#### ***Case 1: Retail Bank (RB)***

RB is the retail arm of a large bank based in the UK. In 1993, a new chief executive was appointed. He thought that RB was too focused on short-term financial performance, and so was excluding other issues, such as innovation, customer service, and employee development. He was keen to develop a new performance management system. RB identified a BSC as fitting its needs, and after testing extensively, the BSC went live across the organisation on 1 January 1996. Rather than the more usual strategic BSC (see Kaplan



and Norton, 1996a, 1996b), it was decided to develop an operational scorecard. The measures from this could be ‘cascaded up’ the organisation. This BSC was included as part of a wider culture change programme called the *Customer Focus Programme*.

RB used its BSC for about three years. Then, there was a change of chief executive and of focus. The incoming chief executive had a successful background in retailing and believed the crucial factor for the success of RB was the sale of products. In 1999, RB replaced the BSC with a sales management system.

### ***Case 2: County Council (CC)***

CC is a local authority serving a county of England. Like other organisations in the public sector (including HT and PF), CC is under constant performance review by central government. CC has been assessed as performing consistently well over the years. Despite this good level of performance, in 2001, senior managers had a strong desire to ensure continuous improvement. Total quality management (TQM) was considered as one approach that CC could adopt, but officials of the strategic management board (SMB) identified the BSC as more appropriate and useful.

Adoption commenced in 2002 and someone with experience of the BSC elsewhere was recruited from outside the organisation as head of performance improvement to lead implementation. Management consultants were brought in to assist initially. The process of implementing the BSC organisation-wide has been much more protracted than in RB or HT. A phased approach to implementation commenced with use by the SMB, followed by plans to roll out adoption in each of the several service divisions of CC. It was expected by those interviewed in 2006 that the BSC implementation across CC would be complete in 2008.

### ***Case 3: Hospital Trust (HT)***

HT is a hospital trust in the English National Health Service (NHS). Around 2002, HT attracted significant, high profile negative publicity relating to poor clinical practice. HT was subsequently identified as being one of the worst performing trusts in the country by the Audit Commission. Following on from this, an independent assessment by the regional health authority identified a number of issues at HT, including poor governance and senior management. Coinciding with this was the arrival of a new chairperson, whose primary objective was that HT would improve its performance rating (from zero) by changing various structures, processes and staff. However, in seeking to improve HT’s performance, its expenditure increased, triggering a financial crisis.

In 2005, HT brought in external management consultants in an advisory capacity. As part of addressing the situation, they recommended that HT should use a BSC in order to improve governance and performance management. Development and implementation of the BSC was accomplished within six months.

HT is now one of the top 40 hospitals in the NHS and is currently applying for foundation status.

### ***Case 4: Police Force (PF)***

PF is a police force based in Scotland. In 2003, a corporate risk register drawn up by PF identified “an inability to deliver major projects to time, cost and quality”. At about the same time, Her Majesty's Inspectorate of Constabulary (HMIC) also identified a lack of coherent business processes within PF. In 2005, PF established new governance mechanisms to cover

all projects in order to address these issues. A PMO was established as part of these mechanisms. This occurred rapidly, in just ten months. The role of the PMO was to promote the use of standard project management methods and tools across all projects, monitor the progress of ongoing projects and support the new governance structure. In 2007, an evaluation of project management within PF was conducted as part of an audit by the City Council that oversees PF, resulting in a positive audit report. However it is recognised that within the force not all projects used the suggested approaches or used them consistently.

## Study Findings

### *Adoption Rationale*

The adoption rationale in each of the four cases was considered according to Sturdy's (2004) six rationales. As stated earlier, Sturdy (2004) indicates that the six rationales he describes are not exclusive, and the adoption of any particular innovation may exhibit more than one type of rationale. In particular, his observation of the dominance of the rational view of adoption and its use to address the scepticism that often meets the introduction of new ideas means that a rational reason for the adoption of most innovations will be given when discussing the adoption, even if this was not the sole or the primary rationale for adoption. In all cases studied, a description of the event or problem that triggered the adoption of a managerial innovation was given as a rational reason for the adoption. That is, those interviewed were keen to justify the adoption by stating problems they were facing at the time, rather than giving reasons for adopting the particular solution or innovation in preference over other courses of action that could have been taken. However, in analysing their responses in more depth, additional rationales for the particular approaches adopted were identified. In each case, one rationale tended to be more significant than others.

At RB, the pivotal role of the new chief executive in the adoption of the BSC suggests that there was a political rationale for adoption, as per Table 1. The powerful chief executive had control of the means of dissemination. He was keen on a new performance management system to change the focus of the organisation from financial process and paper procedures to measure performance. He used the rhetoric of innovation, customer service, and employee development and leadership to justify a new system, a bill that the BSC fitted. A coincidental factor was that some RB staff had recently learnt about the BSC at a leading business school and their knowledge came together well with the chief executive's need for an innovative solution.

The institutional rationale for the adoption of innovations appears most closely to fit CC. Derived from organisational theory, one premise of this view is isomorphism (i.e. organisations will seek to emulate similar organisations by adopting similar practices). Indeed, one interviewee at CC described the choice of using the BSC, in part, being influenced by the fact that the BSC seemed to be "a vogue" amongst other organisations at the time. Public sector organisations like CC (including HT and PF) have been encouraged to pursue performance measurement and performance management rhetorics as part of *new public management* (NPM) (Rommel et al., 2005). They have been under pressure from protagonists of NPM, often within central government departments, to manage more like the private sector and so the BSC fitted this need to be seen in a particular way.

What Sturdy (2004) terms the psychodynamic rationale appears to most closely describe the formation of the PMO by PF. Such a rationale is based on the need to relieve the anxiety

about an issue or problem, most often doing this in a way that is well accepted by others. PF were keen to address, and be seen to address the issues about large projects raised in their corporate risk register and the lack of standard processes identified by the HMIC report. Introduction of formal project management methods was likely to take some time and be difficult to demonstrate easily. In contrast, the physical presence of a PMO (i.e. the co-location of a number of dedicated officers and support staff in a single office) could be achieved relatively swiftly and would provide a clear symbol that the issues identified were being addressed.

Adoption of the BSC by HT was clearly influenced by the firm of management consultants. The influence or persuasiveness of the promoters or suppliers of innovations suggests Sturdy's (2004) dramaturgical or rhetoric view played a major role in the adoption in this case. The new chairperson was a champion of the BSC, suggesting that like RB, the adoption by HT also had a political element to it, hence confirming Sturdy's (2004) observation that adoption decisions can have multidimensional rationales.

It would appear from the preceding discussion that a number of the rationales posited by Sturdy could be recognised in the actual cases of adoption of managerial innovation studied, hence our first research question has been addressed. In order to address the second research question, two key elements in the adoption life-cycle of the innovation are considered in each of the cases: the time within the life cycle of innovation when adoption commences and how long the adoption process took to complete, that is the speed of adoption.

#### *Time of Adoption in Innovation Life Cycle*

Plots of the number of bibliographic citations of a given innovation are often used to approximate the adoption life cycle (Abrahamson, 1996; Spell, 1999; Ponzi and Koenig, 2002). A plot of the number of citations in the literature of the term 'balanced scorecard', suggests that, if citations are closely related to adoption, then growth in adoption first began around 1997. Maturity, as signalled by a plateauing in the frequency of citations, occurred around 2002.

Of the three organisations studied that adopted a BSC, RB was the first to do so. It began developing and testing its scorecard in 1995 and the scorecard was implemented and went live across the business on 1<sup>st</sup> January 1996. Comparison with the citations count suggests RB could be considered an innovator or early adopter according to Rogers' (1995) innovator types.

CC began its development of its scorecard in 2002, with the scorecard going live for the SMB in 2003. Roll out to other parts of the organisation is still ongoing. Although having an earlier 'traffic light' reporting system for key targets, HT did not develop and implement its BSC until 2005. Comparison with the plot of citations, suggests that these organisations could be described as majority adopters (Rogers, 1995).

Whilst the use of project management tools and methodologies have shown growth over the last decade, the establishment of PMOs and similar groups, is not yet widespread amongst organisation. PF established its PMO in early 2004 and can therefore, like RB, be considered as an innovator or early adopter, although it remains to be seen when maturity of this type of innovation will occur.

### *Speed of Adoption*

In considering the speed of implementation of the innovations studied, the elapse of time from an initial decision to adopt to the point at which an innovation is as widely deployed in the organisation as intended is identified as the variable of interest. Hence, in a similar manner to the consideration of the time of adoption, consideration of the speed of implementation suggests the use of a diffusion curve. However, rather than a single curve derived from an external measure that can be applied to each of the organisations adopting the same innovation, the speed of implementation indicates the need for a diffusion curve for each organisation. Maturity of diffusion can be taken to be when the innovation was available to as many individuals or users as the organisation has determined as necessary or useful.

The most rapid implementation amongst the organisations studied is that of HT's adoption of the BSC. HT decided to adopt a BSC following the recommendations of a management-consulting firm in May 2005 and the BSC was available to the governing body of HT approximately six months later. A number of factors contributed to this rapid implementation: HT was already using traffic light reporting of its key targets, and these could be used as a basis for the BSC. As a relatively late adopter, HT and their advisors were able to learn from similar hospitals that had developed BSCs. HT also adopted a 'technology-light' approach. Rather than rely on a large data warehouse to collect data for the BSC or commercial software to produce it, a member of staff was pasting data into a tailored spreadsheet. Finally, the intention was limited to developing a BSC to report information to the governing body of HT, rather than to develop BSCs for the many areas that constitute the hospital and related units. Whilst many HT staff were aware of the use of the BSC by the governing body (e.g. they were required to provide information that is included in the BSC), this has removed the need to determine measures and goals for each area of the organisation and communicate and train the many hundreds of staff within HT.

RB was not only an early adopter of the BSC, it also carried out implementation relatively rapidly, undertaking all development, testing, communication and roll out in less than one year. Rather than develop the traditional strategic BSC, RB, used their BSC to improve operational performance management. BSCs were therefore developed for the retail network, which at the time consisted of over a hundred branches and thousands of staff. All staff were trained in the interpretation of the BSC and had a BSC relevant to their role available on a PC within their branch or regional office. Interestingly, RB's implementation was not only relatively fast, the lifetime of the BSC in the organisation was only three years. The BSC was discontinued when a new chief executive joined the organisation and replaced it with a sales management system. This three-year lifetime is less than the time the other organisations studied have taken (or look like taking) to extend their innovations to what was intended.

PF was relatively swift in establishing its PMO, launching this just ten months after the idea was first identified following the risks associated with large projects. However, the diffusion of the use of the project management tools and frameworks that the PMO was seeking to encourage has proved to be somewhat slower. There are some examples of the use of the tools, and their use in planning the policing of a high-profile conference of world political leaders helped spread awareness. However, use of the tools is still inconsistent.

Finally, CC represents the slowest rate of implementation of the cases studied. A decision to adopt the BSC was made in 2002, and whilst the BSC went live for the SMB in 2003, the

organisation has always intended, and is still intending to develop BSCs for each of the divisions or services within CC, which would link, via 'golden threads' to the SMB card. Progress at CC has been slower than they expected, as described by the head of performance improvement:

*if you had said to me in 2002, you'll still be battling away with this at the end of 2006, I would have thought that sounds like a very long way away [CC]*

At December 2006, the Environment Division had made the most progress, having had a working BSC for about a year. A BSC for the Corporate Services Division was in the process of being built during the middle of 2007 and was due to be promulgated soon after. BSCs for Adult Care Services and Children, Schools and Families were due to be in use by 2008.

This slowness has been caused by several factors. Each division undertakes very different activities and therefore has different major performance measures. Hence, an identification of these measures and how they relate to those in the SMB BSC must be undertaken. The existing levels of performance management vary significantly across divisions. So, in some divisions it was necessary to educate staff about performance management *ab initio*, whilst in others it was necessary to encourage them to change from their existing approaches to the BSC. A significant issue is that many existing measures are determined by external reporting and monitoring requirements, and these need to continue being generated and used. Finally, CC was keen to use technology to support its BSC and has used its SAP Enterprise Resource Planning system as a platform. This has caused some delays, as CC was required first to ensure its SAP system was robust and used appropriately, and that staff responsible for the BSCs were able to build and maintain them using this system.

### ***Combining Adoption Rationale with the Time and Speed of Adoption***

In order to address our second research question, the exploration of a relationship between the adoption rationale observed and the subsequent adoption process, a 2x2 matrix was developed, as shown in Figure 1. The axes of the matrix are the time and relative speed of adoption. According to the preceding discussion, each of the case studies can be located in a distinct quadrant of this matrix. The identified adoption rationale for each case study is also indicated on this matrix. That each case study can be located in a distinct quadrant of this matrix and shows a distinct adoption rationale allows the tentative suggestion of relationship among the adoption rationales, the adoption characteristics of time and speed of adoption.

Speed of Adoption	More Rapid Adoption	<i>Political Rationale</i> <b>Retail Bank</b>	<i>Dramaturgical Rationale</i> <b>Hospital Trust</b>
	Slower Adoption	<i>Psychodynamic Rationale</i> <b>Police Force</b>	<i>Institutional Rationale</i> <b>County Council</b>
		Early Adoption	Later Adoption
		Time in Innovation Lifecycle of Adoption	

**Figure 1: Matrix of Time and Speed of Innovation showing Adoption Rationale**

According to the grounded theory method, empirical inductions of a suggested relationship can be strengthened by identifying possible underlying mechanisms to explain the observed relationship. Consideration of the characteristics of the adoption rationales observed taken together with observations from the case studies appear to be able to provide this explanation. Both the dramaturgical and institutional rationales are associated with the supply of managerial innovations and the rhetoric associated with these. It is necessary for innovations to be in use for sometime and to be adopted by other organisations, for such rhetoric to be developed and become commonly accepted. Hence, it can be understood that such rationales will be associated with adoption later in the life cycle of the innovation, as shown by the right-hand column of Figure 1. In contrast, the political and psychodynamic rationales are both associated with the desire to be associated with new ways of working, and so are consistent with early adoption.

Similarly, considering the rows of Figure 1, the political and dramaturgical rationales are both associated with influential individuals or groups who drive or champion the adoption of the innovation. Adoption of the BSC at RB was clearly highly influenced by the then new chief executive, who was determined to improve performance management in the organisation. HT's adoption was directly influenced by the recommendations of the external management consultants that the governing body had commissioned, and was strongly championed by the new chairperson. A consistent theme in the change management literature is the importance of a champion or champions and how these are critical to timely adoption (see for example Hughes, 2007; Todnem, 2005). In contrast, the adoption at both PF and CC appeared to arise from group decision-making and sought to appoint a champion after the decision to adopt the innovation had been made. In the case of PF, a senior police officer was appointed to head the PMO, whilst at CC a new head of performance improvement was recruited to lead the implementation of the BSC.

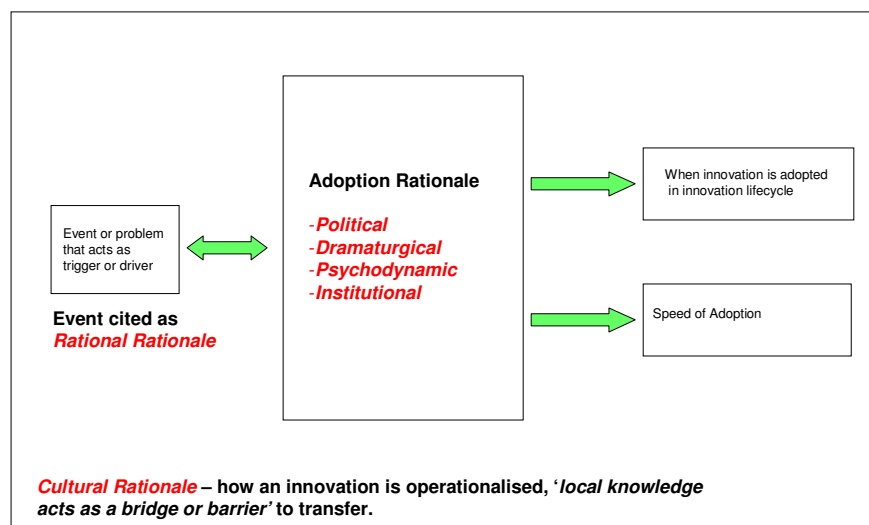
These explanations taken together with the empirical findings illustrated in Figure 1 lead us to suggest that, within the limitations of our exploratory research methodology, there appears to be a relationship between the rationale for adoption of an innovation and when and how rapidly adoption subsequently occurs.

## **Discussion and Conclusions**

This study sought to identify factors influencing adoption and link these to Sturdy's (2004) proposed adoption rationales in a series of empirical case studies. It then sought to explore how these adoption rationales relate to key characteristics of the adoption process. We recognise that the limited number of case studies in particular, make the study highly exploratory. However, within these limitations, the four cases studied appear to show adoption rationales consistent with those proposed by Sturdy.

Whilst Sturdy proposes his rationales as a simple list, our case studies suggest a relationship or pattern between the rationales. In all four cases, a rational justification for adoption of the managerial innovation in question was identified; and each was in addition to another, distinct rationale. The cultural rationale was not explicitly observed in our study. Whilst this may be a result of the number and particular case studies undertaken, we would tentatively suggest that the cultural rationale, rather than provide a distinct reason driving adoption, may explain differences in how adoption occurs. Cerdin (2003) and Fenton O'Creevy (2003) both report studies of the international diffusion of HR practices. They observe that culture does not drive or prevent adoption, but it does result in 'translation' of the innovation to fit with local custom and practice. Indeed, the case studies provided examples of translation in the case of the balanced scorecard. Firstly, in all three scorecard cases, a translation from the US to provincial England and, in the case of CC and HT, a translation from the private sector to the use by the public sector. In the case of CC in particular, this translation appeared to contribute to the drawn out nature of adoption. For example the need as a public sector organisation to continue with existing measures for external reporting and monitoring requirements, slowed down the impetus in some divisions to develop measures for the scorecard.

Our thinking on the relationship between the rationales is illustrated in Figure 2. A rational driver for adoption will be found for the majority of adoptions, at least in places where neo-classical economics is the ascendant rhetoric. This may be identified before the adoption proceeds, or may be post-rationalised, hence the double arrow in Figure 2. This rational reason will be complemented by one or more of the following rationales: political, dramaturgical, psychodynamic or institutional. Cultural considerations will be present for all adoptions. However, rather than determine if adoption happens, cultural factors are more likely to shape the way an innovation is adopted. Hence rather than the simple dichotomy of rational and non-rational approaches that Sturdy himself speaks of, we would suggest, it might be expected that the adoption of managerial innovations would include a mixture or interplay of a number of different rationales, which include both economic and socio-political approaches.



**Figure 2: Study Findings**

Figure 2 also depicts our exploratory finding that the adoption rationale appears to be related to the time of adoption in the innovation life cycle and the speed or duration of the adoption process. We should note that we do not seek to suggest that early or rapid adoption is preferable to later or slower adoption; that is, we do not suggest that location in some quadrants of Figure 1 is better or more correct than location in others. As with most areas of management, the adoption characteristics that are appropriate will be contingent on various factors, including; resources available to the organisation, other activities in which they are involved and experiences with previous managerial innovations.

An interesting, and perhaps counter-intuitive, consequence of our findings is when considering the accusation that organisations are faddish in their adoption of management innovations, it is those organisations that implement innovations well, particularly those that implement innovations early and rapidly, that are most likely to move onto the next innovation quickly. These are then most likely to appear faddish. However, in organisations where implementation is drawn out, it will appear that the innovation is more enduring. However, in such cases, ostensible endurance may be obscuring that the innovation is never fully going to reach its intended coverage and usage, as in the cases of PF and CC.

### **Limitations of Current Study and Opportunities for Future Research**

The sort of case study research that we have undertaken seeks to identify inter-relationships between a rich set of factors in particular contexts, rather than to seek generalisability for a whole population. Our findings should therefore be treated as exploratory and form the basis of further research. The small number of case studies included in our study is recognised as a particular limitation and resulted in one single example of each adoption rationale. Future studies could usefully include a larger number of case studies in order to further test and



develop the tentative findings we have reported here; or seek cases that share a common adoption rationale.

Our sample contained three public sector organisations and one for-profit private sector organisation. It may be that differences between influences on adoption and approaches to implementation exist between these two groups, and between them and third sector organisations. For example, in one sort of organisations it may be more difficult and undesirable than in another sort for a significant individual or a group to influence the adoption decision, resulting in no obvious champion. Separate studies could usefully be undertaken within these sectors, and the results compared.

Due to those interviewed, our study reflects the views and experiences of senior managers. Further studies of the adoption of managerial innovations could usefully seek to include the view of a wider range of staff and other stakeholders, such as customers, suppliers and external regulatory agencies. Such individuals will have quite different views and experiences from senior managers of the innovations adopted. Senior managers may be unaware of the difficulties inherent in the adoption or implementation as far as these others are concerned.

Finally, for those inclined towards philosophies that encompass generalisability, a larger-scale quantitative study could be undertaken in order to attempt to generalise the findings of this study. In particular, a study that seeks to identify differing adoption rationales and to confirm the link between those rationales and the time and the speed of implementation as proposed in Figure 2 could be further explored.

## References

- Abrahamson, E. 1996. Management fashion. *Academy of Management Review*, 21 (1), p. 254-285.
- Ansari, S., and Euske, K. J. 1987. Rational, rationalizing, and reifying uses of accounting data in organizations. *Accounting, Organizations and Society*, 12, p. 549-570.
- Boland, R. J., and Pondy, L. R. 1983. Accounting in organizations: a union of natural and rational perspectives. *Accounting, Organizations and Society*, 8, p. 223-234.
- Downs, A. 1967. *Inside bureaucracy*. Boston, MA: Little Brown.
- Carson, P., Lanier, P., Carson, K., and Birkenmeier, B. 1999. A historical perspective on fad adoption and abandonment. *Journal of Management History*, 5 (6), p. 320-333.
- Carson, P., Lanier, P., Carson, K., and Guidry, B. 2000. Clearing a path through the management fashion jungle: some preliminary trailblazing. *Academy of Management Journal*, 43 (6), p. 1143-1158.
- Cerdin, J. 2003. International diffusion of HRM practices: the role of expatriates. *Beta. Scandinavian Journal of Business Research*, 17 (1), p. 48-58.
- Chua, W. F. 1988. Interpretive sociology and management accounting research: a critical review. *Accounting, Auditing and Accountability Journal*, 1 (2), p. 59-79.
- Ehigie, B., and McAndrew, E. 2005. Innovation, diffusion and adoption of total quality management (TQM). *Management Decision*, 43 (6), p. 925-940.

- Eisenhardt, K. M. 1989. Building theories from case study research. *Academy of Management Review*, 14, p. 532-550.
- Etorre, B. 1997. What's the next business buzzword? *Management Review*, September, p. 33-35.
- Fenton O'Creevy, M. 2003. The diffusion of HR practices in the multinational firm; toward a research agenda. *Beta Scandinavian Journal of Business Research*, 17 (1), p. 36-47.
- Greenwood, R., and Stewart, J. D. 1974. *Corporate planning in English local government: an analysis with readings. 1967-72*. London: Charles Knight.
- Hopper, T., and Powell, A. 1985. Making sense of research into the organizational and social aspects of management accounting: a review of its underlying assumptions. *Journal of Management Studies*, 22, p. 429-465.
- Hughes, M (2007), "The Tools and Techniques of Change Management", *Journal of Change Management*, 7(1), p.37-49.
- Hoskisson, R. E., Hitt, M. A., Wan, W. P., and Yiu, D. 1999. Theory and research in strategic management: swings of a pendulum. *Journal of Management*, 25 (3), p. 417-446.
- Kaluzny, A. D. 1982. Quality assurance as a managerial innovation: a research perspective. *Health Services Research*. [online], 17 (3). Available at: <http://www.pubmedcentral.nih.gov/picrender.fcgi?artid=1068680&blobtype=pdf> [accessed at 7 February 2007]
- Kaplan, R. S., and Norton, D. P. 1996a. *The BSC: translating strategy into action*. Boston, MA: Harvard Business School Press.
- Kaplan, R. S., and Norton, D. P. 1996b. Using the BSC as a strategic management system, *Harvard Business Review* January-February, p. 75-85.
- Ponzi, L., and Koenig, M. 2002. Knowledge management: another management fad? *Information Research*, 8 (1), p. 145-160.
- Rigby, D. 2001. Management tools and techniques: a survey, *California Management Review*, 43 (2), p. 139-160.
- Rogers, E. M. 1995. *Diffusion of innovations* (4th ed.). New York: Free Press.
- Rommel, J., Christiaens, J., and Devos, C. 2005. Rhetorics of reform : the case of New Public Management as a paradigm shift (Ghent University Working Paper No. 2005/354) [online]. Available at: [http://www.feb.ugent.be/Fac/Research/WP/Papers/wp\\_05\\_354.pdf](http://www.feb.ugent.be/Fac/Research/WP/Papers/wp_05_354.pdf) (accessed 8 February 2008)
- Spell, C. S. 1999. Where do management fashions come from, and how long do they stay? *Journal of Management History*, 5 (6), p. 334-348.
- Sturdy, A. 2004. The adoption of management ideas and practices: theoretical perspectives and possibilities. *Management Learning*, 35 (2), p. 155-179.
- Swanson, E. B. 2001. Diffusing software and product and process innovations. International Federation for Information Processing, Working Group 8.6 Conference, Banff, Alberta 7-10 April 2001.
- Todnem, R (2005), "Organisational Change Management: A Critical Review", *Journal of Change Management*, 5(4), p.369-380.

Williams, R. 2004. Management fashions and fads: understanding the role of consultants and managers in the evolution of ideas. *Management Decision*, 42 (6), p. 769-780.

Yin, R. K. 2003. *Case study research: design and methods*. London: Sage.