

## СЕКЦІЯ 1 ЕКОНОМІЧНА ТЕОРІЯ ТА ІСТОРІЯ ЕКОНОМІЧНОЇ ДУМКИ

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### DIFFUSION OF INNOVATIONS THEORIES REVISITED – TOWARDS THE NEW PERSPECTIVES

An article provides a comparative analysis of four main innovations diffusion theories. Theoretical and methodological differences between different approaches are examined and summarized as well as the role and impact of the main stakeholders is shown. It is then the main limitations of all four perspectives are outlined and the new ways of these theories interpretations are defined.

**Keywords:** diffusion of innovations, management fashion, translation theory, travel of ideas, media perspective, rate of adoption.

#### **Фірсова С.Г., Аксьом Г.І. НОВИЙ ПОГЛЯД НА ТЕОРІЇ ДИФУЗІЙ ІННОВАЦІЙ – НА ШЛЯХУ ДО НОВИХ ПІДХОДІВ**

В статті проведено порівняльний аналіз чотирьох основних теорій дифузії інновацій. Встановлені теоретичні та методологічні розбіжності між різними підходами та визначені ролі і ступені впливу різних сторін процесу дифузії. Знайдені та виокремлені недоліки усіх чотирьох теорій і визначені шляхи подолання цих обмежень за допомогою нових інтерпретацій.

**Ключові слова:** дифузія інновацій, управлінські моди, теорія перекладу, циркуляції ідей, медійний підхід, темп імплементації.

#### **Фирсова С.Г., Аксём Г.И. НОВЫЙ ВЗГЛЯД НА ТЕОРИИ ДИФФУЗИИ ИННОВАЦИЙ – НА ПУТИ К НОВЫМ ПОДХОДАМ**

В статье проведен сравнительный анализ четырех основных теорий диффузии инноваций. Установлены теоретические и методологические различия между разными подходами и определены роли и уровни влияния разных участников процесса диффузии. Найдены и выделены недостатки всех четырех теорий и определены пути преодоления этих ограничений с помощью новых интерпретаций.

**Ключевые слова:** диффузия инноваций, моды в менеджменте, теория перевода, циркуляции идей, медийный подход, темп имплементации.

**Problem statement.** The studies of organizational change and management ideas and practices transfer from one setting to another have attracted many scholars during the last two decades. They aimed to explain the routes and circumstances new management techniques and concepts overcome during the diffusion process as well as to answer the question: “Why some innovations become popular and spread very fast while others don’t?” The determination of the role of each management innovations diffusion participants is crucial for the speed and rate of adoption. Different approaches give different explanations of motives for management decisions to adopt new innovations and factors that influence these decisions. However researchers claim that all these perspectives have a number of weaknesses and gaps between different diffusion actors interactions. Since each of the theories presented in this paper has its own limitations and so-called “blind spots” it is necessary to conceptualize a set of principles and patterns that are mentioned most frequently in each of the theoretical approaches.

**Analysis of recent research and publications.** The patterns of management knowledge and innovations diffusion and adoption have been studied by numerous researchers from all over the world such as E. Rogers, E. Abrahamson, P. Carson, J. Benders, K. van Veen, A. Kieser, T. Clark, T. Bjørnsten, T. Malmi, M. Gosselin, K. Klincewicz, K.A. Rørvik, H. Scarbrough, J. Swan, B. Czarniawska, B. Joerges, K. Sahlin, C. Spell, T. Kostova, J. Alvarez, C. Mazza, M. Fren-

kel, P. Lillrank, D.III. Madsen, T. Stenheim and others. Among Ukrainian researchers diffusion issues has been reflected in G. Shamota and N. Matviychuk-Soskina publications.

**Purpose of this paper.** The purpose of this paper is to compare different theoretical and methodological perspectives on management innovations diffusion and adoption. Relying on previous achievements and experience of management innovations diffusion studies the main factors that influence a rate and speed of particular management concepts adoption are outlined and three main sides of dissemination process are defined. Drawing heavily from four main organizational change and diffusion perspectives this article therefore offers a balanced and an extended view on management ideas and practices transfer between different cultural and business contexts.

**The main part.** Traditionally, the dissemination and adoption of management innovations have been studied using the framework of diffusion of innovations theory, developed by Rogers in 1962 [1]. In 1990s this methodological approach gained its evolution in three theoretical branches – Travel of Ideas concept, Management Fashion Theory and Mass Media Perspective. All these theoretical developments were based on new institutionalism in order to increase an understanding of institutional processes that occurs when organization imitate other organizations [2; 3]. According to new institutional approach, the main motive for adopting new management innovation is to become similar to most successful and influential organizations from

particular institutional field and therefore to increase its own legitimacy, stability and survival chances.

Later theoretical and methodological approaches have shifted research focus from diffusion to translation model [4, p. 281] in order to improve and extend an existing diffusion research towards more dynamic and day-to-day practice-based explanations [5]. Usually when studying organizational change and new ideas and practices diffusion across the institutional fields, researchers use one of the above mentioned conceptual frameworks, but sometimes combining them and building on, for example, diffusion theory and management fashions perspective simultaneously.

All three diffusion theory developments emerged in 1990s in different parts of the world. The first one – Management Fashion theory has been formulated and conceptualized by Abrahamson in the most influential and frequently cited paper in the topic “Management Fashion” published in 1996 [6]. Building on the work of diffusion on the innovations and neo-institutional sociology he offered the first management fashion definition, arguing that this term refers to collective beliefs imposed by fashion-setters that a particular management idea or practice leads to a rational progress. Thus management fashion approach sees diffusion process as relations between fashion-setters (producers) and fashion-followers (consumers). Many administrative and technical innovations adoption have been explained using management fashions notion and a wide range of management concepts have been studied, such as Balanced Scorecard, Activity-Based Costing, Reengineering or Total Quality Management. They used to explain success or fail of a particular innovation by the quality and intensity of the work on supply-side while managers are considered as those who can be influenced and directed towards a desired decision. In their irrationality managers and organizations can even imitate each other’s decisions to not adopt efficient and value-adding innovations or collectively adopting inefficient practices and concepts [7]. Some researchers raise questions whether this innovations are innovations per se, thus suggesting that in can be an “old wine in a new bottles” that fashion-setters sell to managers [6; 8]. The main factor that assures a success of certain fashion is its “interpretative viability” which means a degree of interpretation possibility and ability to fit a local context [9].

Approximately at the same time another theoretical framework was created in Scandinavian countries. Researchers in this field have argued that ideas do not stay unchanged during the diffusion but are actively

modified, reshaped and reinterpreted during the circulation and further adoption [10]. In contrast with traditional diffusion studies Scandinavian institutionalists claim that ideas are getting diffused and adopted not because of its original power but they become powerful as they circulate, thus emphasis is shifted from supply side to mediators and demand side. For example, particular innovations become popular and are widely adopted not due to their properties but because of the way they were packaged, formulated and promoted [10; 11]. According to this “translation theory” ideas need to be reembedded from their former context in order to travel and circulate and then they are getting repacked by different carriers and mediators which allows them to fit a new local requirements and conditions. This process was called an “edition” and consequently innovations are edited by mediators and adopters in order to fit their own wishes [12; 13]. As a result the same idea in one place doesn’t mean the same as in the other location and sometimes it can be translated in a way its creator couldn’t even imagine and in some cases ideas lose its fundamental features and principles [14].

Finally, proponents of the mass media perspective argue that business press not only serves as a mediator between supply and demand side of management innovations diffusion but it actively takes part in knowledge creation and reshaping [15, p. 581]. From this perspective, business media stands as an independent and powerful source of ideas and practices diffusion and legitimization since it creates discourses in perceptions and attitudes towards a particular innovation [16; 17]. Using a rhetoric techniques and tools it shapes an audience opinion about certain management concepts as a fashionable which is in line with management fashion theory [18].

Later diffusion studies has extended this theory proving that business press creates and disseminate management knowledge earlier than more academic outlets, thus considering business mass media as an origin of innovations emergence [8]. According to these assumptions, innovations appear firstly in professional press and then travel towards scholar journals. It means that special attention should be paid to business media in order to understand the pattern and logic of innovations diffusion and rate of adoption.

As we can see, the view on the diffusion process and the role different stakeholders play in it varies and depend on the theory employed for particular innovation diffusion study. A comparison summarized and presented below allows considering a view on the managers, research focus and view on innovation per se

Table 1

Comparison of different theoretical perspectives on diffusion of innovation

Theory Components	Diffusion of innovations	Travel of ideas theory	Management fads and fashions	Mass Media perspective
View on the managers	Rational and active receivers and decision-makers	Mostly passive; don't play a crucial role in diffusion process	Passive receivers that “make a decision” based on collective beliefs	Active receivers and decision-makers (however influenced significantly by mediators)
Research focus	Patterns and logic of innovations diffusion and adoption	The routes of innovation and its change and “edition” during the transfer phases	To answer the question: “Why some management ideas and practices spread quickly across the different fields why others do not?”	Business media as the main source of management knowledge creation, dissemination and legitimization
View on management innovations	Rational decision-making process	Ideas and practices are always changed during the diffusion process in order to fit the new cultural context	Cultural phenomenon, driven by collective beliefs; the demand for innovations are shaped by fashion-setters	The content and attitudes towards the particular innovation are actively shaped by business press

Source: developed by authors

Table 2

The role of the different stakeholders in diffusion process

Stakeholders	Theory	Diffusion of Innovations	Translation Theory	Management Fashions	Mass Media Perspective
Supply side (innovations creators, sellers)		high	medium	high	low
Mediators (Business media, consultants, scholars, business schools, management gurus)		low	high	medium	high
Demand side (potential adopters)		high	high	low	high

Source: developed by the authors

through the different theoretical and methodological lenses (Table 1).

Basing on above mentioned theories we can now outline the role different stakeholders play in management innovations transfer and further translation process. Different approaches offer various views on the fields and arenas of innovation dissemination and sides of diffusion process (Table 2).

Each of the change agents appears to be called decision-makers and are subscribed a power to influence a diffusion process and adoption rate in particular theoretical approach. Supply side of management ideas communication and spread are considered as the most influential by diffusion of innovations and management fashion theory [19]. The middle link of ideas translation and adoption is assumed to be a crucial by travel of ideas concept [15; 20; 21; 22] as well as by management fashion and consumption perspectives respectively while only diffusion theory doesn't see it as an influential factor. Finally, the role of the demand-side is acknowledged as vital one by all theoretical frameworks except fashion perspective.

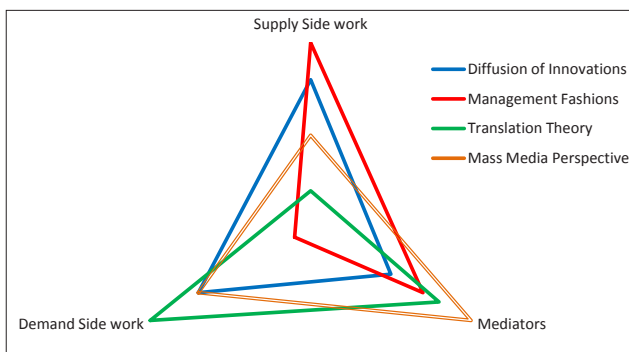


Figure 1. The role of the different stakeholders in diffusion process

Source: developed by the authors

It is therefore important not to constrain the view on the particular innovation diffusion and consider this process as complex, dynamic and multi-faceted where all three groups of stakeholders interact actively and simultaneously. Thus, it is necessary to look beyond the related diffusion models and dissemination networks since the broadest picture is offered when all discourse providers and receivers are taken into consideration [23; 24]. Diffusion and adoption of management ideas and practices are not limited by the participation of one or two change agents but are influenced by all mediators and communities that produce, provide, circulate, translate and adopt innovations.

Such a complex and hard-diffused concept as Beyond Budgeting can serve as an example of the diffusion that can be provided by supply side, mediators and potential adopters. Innovations that challenge an existing institutional norms and rules are difficult to adopt in a new context and thus requires help and active par-

ticipations from all stakeholders. Concept should be widely promoted and diffusion must be triggered by its creators, then a mass media should handle it, reframe and package it in accordance to local context in order to attract potential adopters' attention and make an innovation available for imitation and adoption. And finally, managers and organizations should be open for new challenges and let the new ideas and practices replace the old ones if they offer rational and efficient solutions old ones couldn't give.

**Conclusions.** Analysis of an existing management innovations diffusion explanations showed that there is no single taken-for-granted approach for management innovations diffusion patterns and rules. Different theoretical and methodological frameworks focus on different actors of transfer process and see diffusion from the different angles. Moreover, it was shown that all frameworks have it own limitations and weaknesses. In order to avoid narrow views on a diffusion process and the role of each participant of management ideas and practices adoption it is necessary to take into consideration all four approaches simultaneously. We than argue that all three categories of transfer process participants should be considered as a vital in management innovations communication, dissemination and adoption of particular management innovations. While many researchers focus solely on demand- or supply-side perspective in order to explain a diffusion patterns, rules and rate of adoption this comparative analysis shows that attention should be paid to all three main diffusion arenas since limited theoretical and methodological methods can restrict an understanding of the barriers and resistance origins an innovations face during its transfer across the different national and cultural contexts. A significant number of value-adding and efficient innovations have failed because their producers didn't paid enough attention to the mediators of the diffusion process and a large number of managers became victims of management fashions that didn't contain rational and efficient solutions. For managers it is important to avoid a distorted view on a certain innovations and take a rational decision, which in turn can be achieved within different theoretical perspectives on the nature and motives for management innovation production and dissemination. At the same time, management innovation suppliers should offer enough interpretative viability for their product in order to leave a certain room for interpretation which will increase a rate of adoption.

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## РОЗВИТОК ТЕОРІЇ РОЗПОДІЛУ ДОХОДІВ ТА ЇЇ СУЧАСНА КОНЦЕПЦІЯ

У статті досліджується зміна концепцій розподілу доходів. Встановлено, що на зміну підходів в теорії розподілу впливають ряд чинників: розвиток форм власності, зростання продуктивних сил та ускладнення структурних елементів процесу виробництва, зміна економічних та соціальних функцій держави, обсяг і структура споживання, досвід функціонування розподільних відносин у різних країнах. Розрізняються класичний, марксистський, функціональний, маржиналістський, оптимізаційний, інституціональний, політичний, соціальної справедливості, ліберальний підходи (концепції).

**Ключові слова:** розподіл доходів, концепція функціонального розподілу, теорії соціальної справедливості та ефективності в розподілі, теорія оптимального розподілу, теорія раціонального вибору.

### **Дутчак А.В. РАЗВИТИЕ ТЕОРИИ РАСПРЕДЕЛЕНИЯ ДОХОДОВ И ЕЁ СОВРЕМЕННАЯ КОНЦЕПЦИЯ**

В статье исследуется изменение концепций распределения доходов. Установлено, что на смену подходов в теории распределения влияет ряд факторов: развитие форм собственности, рост производительных сил и осложнения структурных элементов процесса производства, изменение экономических и социальных функций государства, объем и структура потребления, опыт функционирования распределительных отношений в разных странах. Различаются классический, марксистский, функциональный, маржиналистский, оптимизационный, институциональный, политический, социальной справедливости, либеральный подходы (концепции).

**Ключевые слова:** распределение доходов, концепция функционального распределения, теории социальной справедливости и эффективности в распределении, теория оптимального распределения, теория рационального выбора.

### **Dutchak A.V. DEVELOPMENT THEORY OF INCOME DISTRIBUTION AND MODERN CONCEPT**

This paper examines the changing of concepts of income distribution. We found that the change in distribution theory approaches affect a number of factors: the development of forms of ownership, the growth of productive forces and the complexity of the structural elements of the production process, changes in economic and social functions of the state, the volume and structure of consumption, the experience of the distribution relations in different countries. Differ classical, marxist, functional, marginalist, optimization, institutional, political, social justice, liberal approaches (concepts).

**Keywords:** income distribution, concept of functional separation, theory of social justice and efficiency in the distribution, theory of optimal allocation, theory of rational choice.