

# Interpretation and use of the Balanced Scorecard in Denmark: Evidence from suppliers and users of the concept

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## Abstract

This paper examines how the Balanced Scorecard (BSC) has been interpreted and used in Denmark. Drawing on interviews with suppliers and users of the BSC, the paper shows how these different actors have interpreted and attached meaning to the BSC concept. The BSC's 'interpretive space' and 'boundary object' characteristics lead to different interpretations and mobilizations of the concept in practice. There is a multiplicity in terms of what the concept means on both the supply side and the demand side. Two main interpretations can be identified in Danish practice: the BSC as (1) a 'performance measurement system'; and (2) as a 'strategic management system'. Interestingly, there is a mismatch between how consultants and user organizations interpret and attach meaning to the concept. While suppliers interpret and promote the BSC as a strategic management system, users appear more likely to interpret and use the concept as a performance measurement system. The paper discusses possible explanations for these differences.

## 1. Introduction

Since its introduction in 1992, the Balanced Scorecard (BSC) has attracted the interest of managers, consultants and academics (Hoque, 2014). *Harvard Business Review* has referred to Kaplan and Norton's (KN) (1992) BSC concept as one of the most important management ideas of the last 75 years (Sibbet, 1997: 12). Studies show that it is widely used by managers in different parts of the world (Marr, 2005; Rigby & Bilodeau, 2013; Silk, 1998; Speckbacher, Bischof, & Pfeiffer, 2003). At the same time, research indicates that the concept's reception varies across different countries, e.g. in terms of the awareness, adoption and stages of implementation.

Studies show that the trajectory of the BSC concept in a given national context is shaped by supply-side actors (e.g. consulting firms and management gurus) who adapt the concept according to their own professional specialties and experiences (Braam, Benders, & Heusinkveld, 2007; Braam, Heusinkveld, Benders, & Aubel, 2002) or local market preferences (Ax & Bjørnenak, 2005). Similarly, demand-side actors (i.e. organizations and their managers) shape the concept as they interpret

and draw on the concept in different ways in practice (Braam, 2012; Dechow, 2012; Hansen & Mouritsen, 2005; Modell, 2012; Wagenveld, 2013).

### 1.1 Purpose and contribution

Against the background outlined above, the purpose of the paper is to examine how the BSC concept has been interpreted and mobilized in Denmark. Using data from interviews with those on both the supply side and demand side, I show how different actors interpret and attach meaning to the BSC concept.

The paper engages with the emerging literature which studies the diffusion, translation and popularization of the BSC (e.g. Ax & Bjørnenak, 2005; Braam et al., 2007; Cooper, Ezzamel, & Qu, 2012; Qu, 2004). These studies have employed various theoretical perspectives including 'management fads and fashions', 'actor-network theory' and 'travelling ideas'. The current paper attempts to show how insights from these three perspectives can be used to study how the BSC has been interpreted and used in Denmark. In addition, unlike most previous research on popular management concepts (cf. Benders & Van Veen, 2001; Clark, 2004), the paper relies not only on data from the supply side, but also data about interpretations and use of the concept on the demand side.

The combination of supplier and user data allows for a more 'balanced' view of how the BSC concept is interpreted and used in Denmark. It also means that it is possible to analyze variances in the way different types of actors interpret and attach meaning to the concept. Finally, the paper brings new insight to how the BSC concept is interpreted and used in a Danish business context. Existing literature about the BSC in a Danish context is limited (e.g. Christensen & Bukh, 2013; Hansen & Mouritsen, 2005; Nielsen & Sørensen, 2004); therefore this study should be of interest to academics and practitioners alike.

### 1.2 Structure

The remainder of the paper is structured as follows. Part two discusses different theoretical perspectives which can be used to study the emergence and evolution of management concepts such as the BSC. In part three, the study's research approach is outlined. In part four and five, I describe the empirical findings about how the BSC is interpreted and used on the supply side and demand side, respectively. Section six follows a discussion of the findings, and the concluding part a discussion of the paper's main shortcoming and suggestions for future studies.

## 2. Theoretical background

### 2.1 Management concepts

Management concepts are »*prescriptive, more or less coherent views on management*« (Benders & Verlaar, 2003: 758). Management fashions constitute a subset of the total supply of management concepts and are those »*management concepts that relatively speedily gain large shares in the public management discourse*« (Jung & Kieser, 2012: 329). There are four main characteristics of management

concepts that give them the potential to ‘flow’ (Røvik, 2002) in the management community, i.e. to become ‘fashionable’ concepts:

- the concept is labeled in a catchy way, usually using a three-letter acronym (Røvik, 1998);
- performance improvements are promised to potential adopters of the concept (Røvik, 1998; ten Bos, 2000);
- the concept is presented as universally applicable (Strang & Meyer, 1993); and
- there is wide room for interpretation of the concept – so-called ‘interpretive space’ (Benders & Van Veen, 2001; Clark, 2004; Giroux, 2006).

### *2.2 The BSC as a management concept*

The BSC can be considered a management concept since it exhibits the four characteristics identified above. It is labeled in catchy way, and triggers positive associations to sports and fitness as most managers want to be ‘balanced’ and know their ‘score’ relative to their competitors (Kieser, 2002: 176). In KN’s conceptual literature about the BSC, it is underscored how the concept can lead to ‘excellent’ performance, and that the concept can be applied in both the private and the public sector, and across countries and cultures. The last characteristic is arguably particularly important for the BSC. Many researchers have pointed out that the BSC can be interpreted in different ways (Ax & Bjørnenak, 2005; Braam, 2012; Braam et al., 2007; Malmi, 2001; Nørreklit, 2003; Speckbacher et al., 2003), is flexible and malleable, and can stand for many different things in practice (Aidemark, 2001; Dechow, 2012; Hansen & Mouritsen, 2005; Modell, 2004; Modell, 2012).

### *2.3 The interpretive space of the BSC and its implications*

The interpretive space of the BSC means that different interpretations and understandings of the BSC exist, both on the supply side and the demand side. On the supply side, KN have played a leading role in shaping how the concept has evolved, via their best-selling books, conference presentations and their consulting organization (Cooper et al., 2012). They have over time moved from presenting the BSC primarily as a performance measurement system to a strategic management system (Braam & Nijssen, 2004). In addition, other actors (e.g. management gurus and consulting firms) have also thrown their hats in the ring and written and developed their own variations of the concept (e.g. Niven, 2005). Researchers have also found that local suppliers of the BSC have actively shaped the content of the BSC to make it fit better with the local context (Ax & Bjørnenak, 2005). As a whole, these studies show that the BSC is presented in different ways by different supply-side actors.

These variations of the BSC concept can be found not only on the supply side, but also on the demand side. For example, in a study of the BSC in the Netherlands, Braam et al. (2002) distinguished between two main translations of the BSC. In the ‘technical’ translation the BSC is used primarily in the ‘accounting way’ as a tool for performance measurement, whereas in the ‘organizational’ translation the BSC is used more dynamically in the strategy development process. In a related follow-

up study, Braam (2012) refers to the 'interpretative variability' of the BSC when it is used in organizational change projects.

Several empirical studies have classified different types of BSC use in organizational praxis. Speckbacher et al. (2003) distinguishes between three types of BSC use, where type 1 is close to the original formulation of the BSC as a performance measurement system, while type 3 is a more advanced use of the BSC as a strategic management system. In a similar vein, Lawrie and Cobbold (2004) identify three generations of BSC use, where the third generation represents the most ambitious version of the BSC. Brudan (2005) distinguishes between five categories of BSC use, ranging from the BSC as primarily an information system to an advanced version incorporating advanced elements such as strategy maps and strategic destinations.

Taken together, these studies show that the BSC lends itself to different interpretations and translations, and that many variations of the BSCs can be found on the supply side and in use in organizational praxis. This means that the concept is likely to have a unique trajectory in a given local context since different actors (both suppliers and users) interpret and mobilize the concept in different ways. The next section describes three theoretical approaches that can offer insight into how the BSC emerges and evolves in a given context.

#### *2.4 Three theoretical views of the BSC*

Different theoretical perspectives have been used to study diffusion, popularization and translation of the BSC, most notably management fashion theory (MFT), actor-network theory (ANT), and the Scandinavian institutional theory (SIT). These theoretical approaches offer three views of the nature and characteristics of the BSC concept:

- the BSC as a 'management fashion' (MFT);
- the BSC as a 'boundary object' (ANT); and
- the BSC as a 'travelling idea' (SIT).

##### *2.4.1 The BSC as a 'management fashion'*

The first view is that the BSC can be considered a 'management fashion'. This research stream has drawn on MFT (e.g. Abrahamson, 1996; Benders & Van Veen, 2001; Carson, Lanier, Carson, & Guidry, 2000) to explain the emergence and evolution of the BSC concept. Primarily these studies have explored how the BSC has evolved at the macro level, i.e. the national level. For example, Malmi (2001) studied the adoption and use of the BSC in Finnish organizations, and found that management fads and fashions were among the main motives driving BSC adoption. In a study of the BSC in Sweden, Ax and Bjørnenak (2005) pointed out the important role played by fashion-setters such as consultants and conference organizers in the early phase of BSC diffusion in Sweden. In the Netherlands, researchers have found that fashion-setters have played a role as providers of BSC-related discourse in the business media (Braam et al., 2007; Braam et al., 2002).

The focus of the research carried out using an MFT approach has been on the concept's macro-level evolution, i.e. patterns in the dissemination and diffusion of the BSC concept. Less attention has been paid to how the concept has been interpreted at the micro level, i.e. by individual organizations. However, even though management fashion researchers have focused on macro-level dissemination and diffusion patterns, they have also pointed out the flexible nature of the BSC, and that the concept can be interpreted and customized in different ways on both the supply side (Ax & Bjørnenak, 2005) and the demand side (Braam, 2012; Modell, 2009). Ax and Bjørnenak (2005) argue that fashion-setters make such adaptations as part of the fashion-setting process to appeal to the local market. The interpretive flexibility of the BSC may also explain its widespread diffusion and 'fashion potential', as the BSC is perceived as potentially useful and appealing to a wide range of actors in different contexts.

#### 2.4.2 The BSC as a 'boundary object'

The second research stream has studied the popularization of the BSC using insights and inspiration from ANT (Briers & Chua, 2001; Latour, 1987), a theory which is frequently used in management accounting studies (Justesen & Mouritsen, 2011). In particular, Star and Griesemer's (1989) notion of a 'boundary object' has been used in previous BSC studies. In the words of Star and Griesemer (1989: 393) »*boundary objects are objects which are both plastic enough to adapt to local needs and constraints of the several parties employing them, yet robust enough to maintain a common identity across sites.*« The BSC can be considered a boundary object since the concept has considerable interpretive space and is flexible, but also has certain stable core characteristics that can be identified across different interpretations, such as the four perspectives and a combination of leading (forward-looking) and lagging (backward-looking) indicators (Hansen & Mouritsen, 2005).

Hence, it can be seen that the ANT-inspired research stream views the emergence and evolution of the BSC from a slightly different vantage point compared to MFT-inspired researchers. ANT-inspired researchers pay comparatively less attention to the role of fashion-setters on the supply side. However, there are exceptions. For example, Qu (2004) studied the rise and dissemination of the BSC, with particular emphasis on how KN have built a network and enrolled allies around the concept. In a recent study of the popularization of BSC, Cooper et al. (2012) show how KN have popularized the concept via their consulting organizations, books, conference presentations, etc. Hence, these two ANT-inspired studies have some commonalities with studies carried out using a MFT lens. For example, they emphasize the role of supply-side actors such as KN in the diffusion and popularization process. In particular they focus on how KN built networks of support around the concept to facilitate and drive diffusion and institutionalization of the BSC.

Other studies in this research stream focus more on how the concept has been enacted on the demand side. According to ANT-inspired researchers, it is primarily

the BSC's boundary object characteristics that give the concept its 'fashion potential' since organizations can draw on the BSC in a variety of ways to address different organization-specific problems. For example, Hansen and Mouritsen (2005) focus on how the BSC is used as a boundary object in organizational praxis. In their four Danish case organizations they find that the BSC is plastic enough to stand for different things. Hansen and Mouritsen (2005: 144) note that the BSC is capable of being *»...bent towards purposes so that a local identity could be upheld and yet... that the BSC [would be] implemented, rather than something else.«* Furthermore, they find that the BSC is interpreted differently in the four case organizations and mobilized in relation to each organization's specific problems, e.g. business planning, process reengineering, or benchmarking.

#### 2.4.3 The BSC as a 'travelling idea'

The third view is that the BSC can be considered a 'travelling idea'. This SIT-inspired research stream focuses on how global management ideas such as the BSC 'travel' can become contextualized in local praxis (Czarniawska & Sevón, 2005; Czarniawska & Sevón, 1996; Sahlin-Andersson & Engwall, 2002; Sahlin & Wedlin, 2008). Specifically, the focus of this line of BSC research is on how the concept attains a local flavor as it circulates and 'travels' between different contexts. Most of the studies have been conducted at the micro level and have explored how concepts are implemented and translated on the user side of the market. Although not the main focus of the theory, this research stream acknowledges that suppliers act as 'carriers' (Sahlin-Andersson & Engwall, 2002) and 'circulators' (Powell, Gammal, & Simard, 2005) who shape how users interpret and use concepts.

Several researchers have studied the BSC as a 'travelling idea'. For example, Wongkaew (2007) studied how the BSC was translated in a Thai financial services organization. In a similar vein, Nilsen (2007) studied the translation of the BSC idea in a Norwegian financial services organization. Finally, in a recent study, Wagensveld (2013) focused on the travel and translation of the BSC in two Dutch organizations.

#### 2.5 A comparison of how the three theoretical approaches explain the emergence and evolution of the BSC

The three theoretical views of the BSC have different areas of focus, but can offer complementary insights into how the BSC evolves in different local contexts. MFT-inspired BSC studies tend to focus primarily on macro-level dissemination and diffusion (Ax & Bjørnenak, 2005; Braam et al., 2007), and while recognizing the interpretive space of the concept on the supply side and demand side, these studies do not usually focus on how the concept is used at the micro level in organizations. By contrast, ANT researchers take a more micro-oriented view which emphasizes how important BSC actors enroll allies and build networks of support around the concept (Cooper et al., 2012; Qu, 2004). In addition, by focusing on the boundary-object characteristics of the BSC, ANT-inspired researchers highlight the plasticity of the BSC concept and how the concept is mobilized in organizational praxis in response to local organizational problems (Hansen & Mouritsen, 2005).

Finally, SIT-inspired researchers focus on how the BSC concept is translated and attains a local flavor as it is implemented in local organizations (Nilsen, 2007; Wagenveld, 2013; Wongkaew, 2007). The in-depth micro studies carried out by these researchers illustrate how the ‘global’ BSC concept is contextualized and attains a local flavor as it is implemented by users.

### 3. Research approach

The research reported in this paper was conducted as part of a larger project focusing on the impact of the BSC in Scandinavia (Madsen, 2011). The research approach was primarily qualitative and interpretive in nature. Interviews were the main data source in the study. A total of 18 actors involved in the Danish BSC market were interviewed, five of which were from the supply side (see Table 1) while 13 were users of the concept on the demand side (see Table 2). Interviewees were sought on the basis that they had experience of the BSC and an overview of how the BSC had evolved in Denmark. Conference brochures, media articles and websites were used to identify potential candidates. In some cases, a ‘snowball procedure’ was employed, where one interviewee recommended the next.

**Table 1: Consultant interviewees**

Interviewee	Firm size	Local/International	Firm specialization	Date
Consultant #1	Large	International	Generalist	26/01/2005
Consultant #2	Large	International	Generalist	27/01/2005
Consultant #3	Large	International	Generalist	08/04/2005
Consultant #4	Large	Local	Generalist	14/06/2005
Consultant #5	Small	Local	Specialist	15/06/2005

**Table 2: User interviewees**

Interviewee	Industry	Size	Local/international	Date
User #1	Consumer goods	Large	International	24/01/2005
User #2	Services	Large	International	28/01/2005
User #3	Financial sector	Large	Local	28/01/2005
User #4	Technology	Large	Local	31/01/2005
User #5	Accounting	Large	International	03/02/2005
User #6	Pharmaceuticals	Large	International	07/02/2005
User #7	Manufacturing	Large	International	17/03/2005
User #8	Manufacturing	Large	International	21/03/2005
User #9	Manufacturing	Large	International	11/04/2005
User #10	Financial sector	Large	Local	14/04/2005
User #11	Energy	Large	International	21/04/2005
User #12	Financial sector	Large	International	04/05/2005
User #13	Technology	Large	Local	30/05/2005

The interviews were semi-structured, lasted between 30 and 90 minutes, and covered several main themes – such as 1) how the actors came into contact with the concept, 2) their interpretations and approach, and 3) and their general experi-



ences from working with and implementing the concept. The interviews with the supply-side actors also focused on their views about the BSC market in Denmark, e.g. who the important actors have been, who they perceive as their main competitors, and how the local BSC market has developed over time. The interviews were recorded on an iPod, transcribed verbatim, and analyzed using a topic-centered approach comparing what different interviewees said about the respective topics.

**4. Interpretations and use of the BSC: The supply-side perspective**

This section reports on the interviews with suppliers of the BSC in Denmark. The interviews show that there is some variation concerning what the BSC means on the supply side, not only in terms of interpretations of the concept, but also regarding how the consultants draw on the concept in their own consulting work.

**Table 3: How Danish suppliers interpret and mobilize the BSC concept**

	Interpretation	Approach
C#1	Performance measurement system	Pragmatic approach; mostly using thoughts as a source of inspiration
C#2	Strategic management system	Close to KN's ideas
C#3	Strategic management system	Pragmatic approach; typically draws on the BSC as part of a 'larger package'
C#4	Strategic management system	Close to KN's ideas
C#5	Strategic management system	Close to KN's ideas

**4.1. Interpretations**

When asked how they interpret the BSC, four of five consultants said this was as a strategic management system, while one interpreted it as a performance measurement system. At the same time, the consultants underscored how flexible and loosely defined the BSC concept is. For example, one interviewee pointed out that:

*»Balanced Scorecard is a very, very widely defined concept. You can fit a great deal into it.«*

The consultants argued that this characteristic can be useful when drawing on the concept in client projects. The BSC's interpretive space means that the concept can be used in many different ways and adapted to fit organization-specific circumstances. As one interviewee put it:

*»The concept is so easy to understand and easy to adapt. You have some ideas that you can use in different ways.«*

**4.2. Approach**

With regard to how consultants approach the concept in practice, most point out that they try to stay close to KN's ideas and the BSC literature. However, at the same time, most of the consultants explained that they have adopted a rather pragmatic stance concerning the concept. Consider this quote from one consultant:



*»I think I would use the thoughts behind the Balanced Scorecard as a source of inspiration.«*

The BSC is also used pragmatically in the sense that few consultants were found to focus on the BSC as a ‘standalone concept’:

*»We would not see this as a standalone component at all. I doubt that we would actually want to sell it. I think it needs to be followed by some other component before it will deliver any benefits.«*

Instead, the BSC is often combined and mixed with other concepts in consultants’ repertoires. Several consultants pointed out that they have incorporated BSC ideas into their consulting ‘toolboxes’ which usually comprise a range of different concepts and ideas. Yet, as one consultant noted:

*»As an independent concept, I am not sure how many will continue to market it. I think there are many consultancies who use it as one element in their toolbox when working on project, but simply saying that you are going to do a Balanced Scorecard project, only Kaplan and Norton’s own organization will do that. The rest of us have a broader approach to the concept.«*

## 5. Interpretations and use of the BSC: The demand-side perspective

This section reports on the interviews with users of the BSC in Denmark. It includes illustrations of how the concept has been interpreted and used in Danish organizations.

**Table 4: How Danish users interpret and mobilize the BSC concept**

	<b>Interpretation</b>	<b>Approach</b>
U#1	Strategic management system	Close to KN’s ideas
U#2	Performance measurement system	Close to KN’s ideas; but used alongside the ‘Service Profit Chain’
U#3	Performance measurement system	Pragmatic approach; tailor-made
U#4	Performance measurement system	Close to KN’s ideas
U#5	Performance measurement system	Close to KN’s ideas
U#6	Strategic management system	Close to KN’s ideas
U#7	Performance measurement system	Pragmatic approach; BSC combined with the ‘Business Excellence’ concept
U#8	Performance measurement system	Pragmatic approach; BSC tailor-made
U#9	Performance measurement system	Pragmatic approach; BSC tailor-made
U#10	Performance measurement system	Pragmatic approach; BSC tailor-made
U#11	Performance measurement system	Close to KN’s ideas
U#12	Performance measurement system	Close to KN’s ideas
U#13	Performance measurement system	n/a

### 5.1. Interpretation

As with the consultants, several of the interviewees on the demand side acknowledge that the BSC concept has much room for interpretation, although the users did not appear to have reflected as much on this characteristic as the suppliers had. Overall, the organizations were positive in terms of the concept's properties and characteristics. For example, one manager pointed out that the BSC concept is an appealing one, saying: *»We liked the simplicity of it...«*

The BSC's scope for individual interpretation is also reflected in the day-to-day execution of the users studied. Most of the organizations interpret the BSC as a more comprehensive performance measurement system, close to the model originally put forth by KN in the 1990s. For example, one manager explicitly called his version of the BSC a 'measurement tool':

*»Together with my assistant I developed a measurement tool that most people would call a Balanced Scorecard. We implemented this at the beginning of last year.«*

Similarly, another interviewee pointed out that although his organization is aware of more recent developments in the BSC literature, it has chosen to interpret the concept in the 'old-fashioned' way:

*»If you look at Balanced Scorecard theory today where strategy maps and a broader view have been introduced, perhaps we represent more of a back-to-basics approach...Our methods around the Balanced Scorecard are closer to the original, introduced in the early 1990s, in that we have not adopted the new ideas.«*

Only two of the user organizations interpreted the BSC primarily as a strategic management system. KN's more recent ideas such as mapping of cause-and-effect relationships and strategy maps were seldom mentioned by the interviewees. Some managers did not appear to be aware of these aspects of BSC theory, while other organizations admitted that although they were aware of reference to a strategy map and so on, they had not placed much emphasis on these aspects due to limited time and resources. Consider the following comment:

*»When it comes to cause-and-effect relationships we have a missing link. We haven't spent much time on that. We ought to have done.«*

### 5.2. Approach

Many of the interviewees reported that they have tried to stay close to the BSC 'theory' developed by KN. They tend to use the standard four perspectives or some variation of them. Often, they will change some terms for a better fit with existing practices and language used in their respective organizations. As one user representative put it,

*»We use more or less the original model, but we use other terms. When we started in 1998-1999 some terms were already being used in the organization, and we didn't want to change these just because we had drawn inspiration from Kaplan and Norton. Instead we wanted to stick to our traditional language.«*

Other organizations identify themselves explicitly as 'pragmatic' users of the BSC. In our study, these candidates indicated that they have a very pragmatic stance towards the concept. These organizations have moved away from the 'complete BSC' and are only using certain aspects of the concept (cf. Nielsen & Sørensen, 2004). For instance, two organizations indicated that initially they had been very faithful to the concept as described by KN, but that gradually they had become more pragmatic:

*»Some organizations are using the Balanced Scorecard in its original form, but we have made a tailor-made version. We are not faithful to the theory, we really couldn't care less... Our concept is very tilted. In the beginning it was 100% theory, but after a year or so we discovered that it was 'junk' in many ways because we did not have an organization that could utilize it. So we have chosen to tilt it towards areas where we could reap the benefits... At the start we had a standard specification, i.e.: 'This is the Balanced Scorecard.' After a while we became aware that 'We are not Balanced, and so what!'*

*»From having a 100% theory-faithful and orthodox implementation, we have moved toward a more organization-specific model based on the Balanced Scorecard. We now have a more liberal attitude towards the theory. It is a part of the process, going from faithfulness to being more independent. But the premise behind the Balanced Scorecard has a future in our organization.«*

In a similar vein, one organization explained how over time it had moved away from using what it referred to as a 'textbook BSC' towards its own adaptation of the BSC which focuses more on traditional financial indicators:

*»I believe that our use of the BSC is a bit different from the original model and we are turning to a concrete focus on financial parts of the BSC. We call our approach a 'pick and choose'.«*

## 6. Discussion

This section will discuss the findings in relation to the three theoretical perspectives on the diffusion, translation and popularization of the BSC presented in the first part of this paper. First, we will discuss the characteristics of the BSC and their implication. Second, we will examine how the BSC has been shaped in a Danish context. Finally, we will look at the mismatch between how the concept is mobilized on the supply versus the demand side.

### 6.1. *The characteristics of the BSC and their implications*

In the theoretical part of this work, the interpretive space and boundary objects characteristics of the BSC were identified as a particularly important in explaining how the BSC is interpreted and used in practice. The interpretive space is also reflected in Danish practice where the concept is interpreted and used in different ways. Different versions of the BSC exist in practice as the concept is mobilized in relation to organization-specific problems and challenges (cf. Hansen & Mouritsen, 2005). However, although the concept is 'plastic', certain elements of the concept remain relatively stable across the different organizations. For example, most organizations explain that they apply some variation of the standard four perspectives and a combination of lead-and-lag indicators. Hence, the BSC can be considered a boundary object since it retains its 'core' as it is diffused, translated and popularized in different settings (Cooper et al., 2012; Hansen & Mouritsen, 2005; Wagenveld, 2013).

### 6.2. *How the BSC concept has been shaped in the Danish context*

The data shows that the BSC concept has been shaped by both suppliers and users in a Danish context. In the theory section of this paper we have identified several typologies of BSC use which distinguish between interpretations of the BSC, ranging from use as a measurement system to a strategic management system (Brudan, 2005; Lawrie & Cobbold, 2004; Speckbacher et al., 2003). The interview data show that there are two main interpretations of the BSC in practice, i.e. its use as a 'performance measurement system' or as a 'strategic management system'. However, the data also illustrate how these interpretations are mobilized in various ways in practice on both the supply and the demand side, as actors draw on the concept pragmatically. The concept is combined and mixed with other concepts and ideas, resulting in a multiplicity in terms of how the concept is interpreted and used.

### 6.3. *'Mismatch' between how the concept is mobilized on the supply- and the demand-sides*

The data show a mismatch between the way suppliers and users interpret and attach meaning to the concept of the BSC. *Suppliers* of the concept tend to view and portray the concept as a 'strategic management system', highlighting more recent developments in the BSC literature such as causal relationships and strategy maps. However, *users* of the concept tend to interpret it mainly as a 'performance measurement system'. This last finding can be seen in the light of other studies which have noted that the many users of the BSC engage the concept primarily as a performance measurement system (Ax & Bjørnenak, 2005; Speckbacher et al., 2003).

## 7. Conclusion

The purpose of this paper has been to examine how Danish suppliers and users have interpreted and attached meaning to the concept of the Balanced Scorecard. The data show that there is a multiplicity of ways in which the BSC is interpreted and mobilized in praxis. The interviews we have undertaken suggest that actors use the concept's interpretive space and boundary-object characteristics to mobilize and attach meaning to the BSC. The actors draw on the BSC rather

pragmatically and combine and blend it with other concepts and ideas, resulting in organization-specific manifestations of the BSC. One interesting finding is the mismatch in how suppliers and users interpret the concept. While suppliers tend to promote the BSC as a ‘strategic management system’, users tend to view it as a ‘performance measurement system’.

### 7.1. Contributions

It is maintained that the current paper contributes to the literature on the diffusion and popularization of the BSC in two ways. First, it shows variation in the way different types of actors interpret and attach meaning to the BSC. The combination of supply- and demand-side data provides a more ‘balanced’ view of how the concept has impacted praxis. In addition, the combination of supply- and demand-side data has allowed for the identification of a mismatch in how suppliers and users of the concept interpret and attach meaning to the BSC, which would not have been possible if data had been gathered from only one side of the market.

Second, the paper blends insights from three different theoretical perspectives (MFT, ANT, and SIT) on how the BSC concept is diffused, translated and popularized. These three views can illuminate different aspects of how the BSC evolves in local contexts, but one point of convergence is the ‘interpretive space’ and ‘boundary-object’ characteristics of management concepts.

### 7.2. Limitations

The paper has several limitations and shortcomings which should be noted. First, it is possible to argue that the data utilized in this study was not sufficiently ‘micro’, given that only one representative from each organization was interviewed. In future studies researchers should consider interviewing a range of different representatives from organizations and build more in-depth case studies, e.g. similar to the study by Hansen and Mouritsen (2005). However, there is a trade-off between depth and breadth, particularly if one wants to say something meaningful about the concept’s reception not only at the micro level, but also at the macro (i.e. national) level.

Second, the theoretical eclecticism in the paper may attract criticism from theoretical purists who would argue that MFT, ANT, and SIT are ontologically distinct. Recently, however, researchers have started to combine different approaches such as neo-institutional theory and ANT (Lounsbury, 2008). Hence, it can be argued that theoretical eclecticism is important in order to grasp the complexity of processes related to diffusion, translation and popularization.

Third, the mismatch between how the concept is mobilized on the supply side and the demand side could be an ‘early-phase phenomenon’. The data were gathered in the mid-2000s when the concept of the BSC was still relatively new, and more recent terms such as ‘strategy maps’ were still not much used in organizational praxis. Hence, it is not inconceivable that if the study were conducted today the

level of knowledge about the BSC would more evenly distributed among suppliers and consumers, which would influence interpretations and mobilizations of the concept. Also, it is likely that later adopters (e.g. post-2005) would be more likely to be aware of and implement the tools and methodologies described in more recent BSC books.

### 7.3. Future work

The paper's limitations should be addressed in future work. For example, in-depth case studies could provide a deeper understanding of how the BSC is interpreted and mobilized in relation to organization-specific problems and issues (cf. Hansen & Mouritsen, 2005). Such studies would require more micro data, e.g. by interviewing multiple informants at different levels of the organization.

In order to provide a more complete overview of how the concept of the BSC has been received in a Danish context, it would be an advantage to combine not only qualitative data about organization-specific interpretations and translations, but also quantitative data (e.g. survey data) which might give a broader overview of how the concept is used in a broader population of organizations in Denmark (cf. Benders & Van Bijsterveld, 2000).

Finally, future studies could also provide a more updated picture of how the concept is currently interpreted in a Danish setting. Such studies could provide insight into how the concept evolves as a practice within a Danish context over time, and the various contextual factors shaping interpretations and use of the concept.

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