



UNIVERSITY OF
NORDLAND

BODØ GRADUATE SCHOOL OF BUSINESS

MASTER THESIS

What is Beyond Budgeting in Ukraine: idea, fashion or innovation?

Empirical study about Beyond Budgeting model in
Ukrainian academic and professional environments

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BE304E – Management Control
May 2015



Sammendrag

Beyond Budgeting er en av de mest fasjonable og fremtredende leder innovasjoner i det 21. århundre, og samtidig møter den motstand og står overfor en rekke andre barrierer som ulike konsepter som Activity Based Costing (ABC) eller Balanced Scorecard har overvunnet og diffust over hele verden. Mange studier har blitt gjennomført for å undersøke mønstre av Beyond Budgeting sats på adopsjon og anvendbarhet i ulike kulturelle kontekster.

Bygger på reise av ideer teori denne studien beskriver og analyserer en nåværende status av Beyond Budgeting i Ukraina, samt måten den er tolket og oppfattet av lokale akademiske og profesjonelle felt. En kombinasjon av både primær- og sekundær datainnsamling ble forsøkte å levere mest komplekse informasjon om konseptet overføring fra en kontekst til en annen, sin forståelse og veien for opprykk.

Analysen resulterte i å formulere Beyond Budgeting modell i Ukraina basert på forskere og ledere holdning og vilje til å gjennomføre hver av de tolv prinsippene. Beyond Budgeting Saken ble funnet, men gjennomføringen fant sted intuitivt og som et resultat det ikke ble fremhevet i virksomheten media. Dette og andre funn var grunnlaget for den konklusjon at den første adopter fremmet i pressen er en viktig for Beyond Budgeting veksten i bestemt sted, så vel som det ikke er avhengig av kulturelle særegenheter. Måten konseptet har blitt beskrevet og tilbudt ukrainske ledere er nesten lik hvordan skandinaviske medier gjorde det, men med ett unntak: ukrainsk faglig og næringslivspresen ikke har en vellykket historie å fortelle. Forhold for de første Beyond Budgeting adopters er også omtalt i denne avhandlingen.

Nøkkelord: Beyond Budgeting, styringsmodell, diffusjon av innovasjoner, oversettelse, reise av ideer, adopsjon, ledelse mote, Ukraina.

Acknowledgements

One year ago I need to chose specialization and now it is obvious for me that I made a right decision since the topics explored in this thesis are quintessences of my research interests. The work on this master thesis was a long, difficult but at the same time very interesting and challenging. In the beginning I didn't expect that the entire scope of the work will be so extensive and wide.

First of all, I would like to express my gratitude to my former higher education institution – a Department of Innovation and Investment Activity Management in the Faculty of Economics in Taras Shevchenko Kyiv National University where I have got a background for further advanced studies.

I would like to thank my supervisor Elena Dybtsyna for her attention, valuable comments and inspiration I received during my master thesis work as well as her guidance and excellent feedback during all research process.

Also I want to thank Anatoli Bourmistrov for his helping in research directions formulation for this thesis in the autumn and for his valuable comments during MOPP seminars.

In addition I would like to give thanks to Associate Professor Levi Gårseth-Nesbakk, and Associate Professor Konstantin Timoshenko for their helpful and guiding recommendations and comments during the master thesis seminars.

As author, I take full responsibility for the content of this master thesis.

Abstract

Beyond Budgeting is one of the most fashionable and prominent management innovations of the 21st century and at the same time it meets a resistance and faces a wide range of other barriers that different management concepts like Activity Based Costing (ABC) or Balanced Scorecard have successfully overcome and diffused across the globe. A lot of studies have been conducted in order to investigate patterns of Beyond Budgeting rate of adoption and applicability in different cultural contexts.

Building on travel of ideas theory this study describes and analyzes a current status of Beyond Budgeting in Ukraine as well as the way it is interpreted and perceived by local academic and professional fields. A combination of both primary and secondary data collection was aimed to deliver most complex information about the concept transfer from one context to another, its understanding and the way of promotion.

The analysis resulted in formulating Beyond Budgeting model in Ukraine based on scholars and managers attitude and willingness to implement each of the twelve principles. Beyond Budgeting case was found but its implementation took place intuitively and as a result it wasn't highlighted in business media. This and other findings were the basis of the conclusion that the first adopter promoted in press is a vital for Beyond Budgeting emergence in particular location as well as it doesn't depend on cultural peculiarities. The way the concept has been described and offered to Ukrainian managers is almost similar to how Scandinavian media did it but with the one exception: Ukrainian academic and business press didn't have a successful story to tell. Conditions for the first Beyond Budgeting adopters are also discussed in this thesis.

Keywords: Beyond Budgeting, management model, diffusion of innovations, translation, travel of ideas, adoption, management fashion, Ukraine.

1. Introduction

1.1. The background and motivation for the research

During the last two decades there were a lot of studies aimed to extend an existing knowledge about management control and accounting innovations both within a single countries or a cross-national diffusion of the management concepts. Researchers have been looking for a numerous patterns and particular rules that fashionable innovations follow when spreading across different institutional fields and national contexts. They tried to study management innovations and its work in practice; showing how certain ideas become popular, how changes occur, how the rate of adoption is influenced by supply and demand side and what barriers do these innovations meet (Shields, 1995; Bjørnenak, 1997; Chenhall and Langfield-Smith, 1998; Malmi, 1999; Ax and Bjørnenak, 2005; Al-Omiri and Drury, 2007; Al-Sayed and Dugdale, 2015). Some researchers linked these adoption patterns to the innovation attributes thus drawing from diffusion of innovation theory (Rogers, 2003) while others saw management concepts dissemination as a passive process of fashionable trademarks implementation without taking into account a rational choice (Abrahamson, 1991; 1996).

Unlike early diffusion propositions a wide range of the later studies have regarded an information field as a vital and the most influential power of innovations communication to potential adopters (Abrahamson, 1996; Bjørnenak, 1997; Clarke et al., 1999; Mazza and Alvarez, 2000; Frenkel, 2005). Special attention was paid to business media as the main suppliers of management knowledge and their role in an institutional process (Mazza and Alvarez, 2000). Number of studies found that professional media not only takes part in management innovation dissemination but also translate a content, creating a various discourses in idea perception and understanding by potential adopters (Mazza and Alvarez, 2000; Sahlin-Andersson and Engwall, 2002; Alvarez et al., 2005). Since research shows that consultants that played a crucial role in BSC or ABC dissemination are absent in Beyond Budgeting communication process (Bogsnes, 2009; Becker et al., 2010; Hammer, 2010), professional media seems to remain the main mediators of the concept and their work

is a key condition for Beyond Budgeting emergence outside Scandinavian countries. Thus, I decided to focus on Beyond Budgeting information exploration in scholar and professional journals as well as on the role of business conferences and business schools, including interviews with practitioners fields representatives.

While previous studies examined and added to “genealogy” a various management accounting and control innovations evolution documentations in general, I will focus on its transfer from one setting to another. Similar researches also took place in the past, when number of empirical studies has been conducted mostly in Scandinavia since researchers aimed to explain a levels of Balanced Scorecard or ABC dissemination and adoption in particular countries as well as to define an actors that influence a rate of adoption (Bjørnenak, 1997; Ax and Bjørnenak, 2005). Also the call “*to extend the analysis of change and innovation beyond the internal world of enterprises*” (Malmi, 1999:651) have been made, since more studies are needed for better explanation of management concepts diffusion. A vast majority of studies were focused on Activity Based Costing and Balanced Scorecard while Beyond Budgeting diffusion (even though its time has come much later) wasn’t scrutinized to that extent. Thus, I want to join a discussion and analysis of Beyond Budgeting dissemination as well as other management control innovations diffusion in general by explaining the way the concept translated in different business and cultural environment, those that are not typical for Beyond Budgeting cases emergence.

1.2. Problem Statement

Problem statement can be formulated throughout three more specific research questions:

- 1. What’s already known about Beyond Budgeting in Ukraine and what’s the way this concept is understood in Ukrainian academic and business fields?*
- 2. Are there any examples of BB implementation in Ukrainian organizations? If no, what are the reasons of non-adoption?*
- 3. What is an attitude towards Beyond Budgeting in Ukraine?*

In order to define and formulate a Beyond Budgeting status and kind that it took in Ukraine, it is also needed to find out how this concept was transferred, how it was reshaped and what changes it has gone through during a translation process as well as local actors attitudes towards the concept.

Since the main purpose of this study is to define the current status and attitudes towards Beyond Budgeting in Ukraine, there are subsets of questions that need to be answered in order to find out how Beyond Budgeting is communicated (translated) to potential adopters (receivers). It is definitely known where idea comes from (mostly from successful practices of organizations from Scandinavian countries, North America, Germany; academic contribution to the Beyond Budgeting concept) and who is a final receiver (Ukrainian organizations) so the questions to be answered in analytical part of the thesis remains:

1. How the idea is packed?
2. Who are carriers and mediate editors of the concept?
3. Do mediators made a positive or negative contribution to the idea translation?
4. What elements have been linked / dropped during the translation? What are the differences between classic Beyond Budgeting model, based on 12 principles and Ukrainian variant?

In my research I will study both supply and demand side of the translation process in order to answer the research questions. These perspectives are going to cover idea carriers (or mediators) and idea receivers – adopters and potential adopters.

1.3. Purpose of the research

The purpose of this thesis is to contribute to Beyond Budgeting studies and research on management concepts dissemination and transferability. I would like this thesis to be helpful for researchers who can use the findings from this work for better understanding of Beyond Budgeting perspectives and patterns of this concept when being translated outside Scandinavia as well as the forms it takes in different settings and contexts. This research might be also useful for practitioners from different business and cultural environments since this thesis provide a description and analysis of Beyond Budgeting interpretation by those managers who face an unpredictable and turbulent environment.

2. Theory

Theory Chapter is organized around three different topics that provide a theoretical foundation for empirical and analytical part of this Thesis. The first one describes Management Control and Management Control Systems from the different perspectives, at the same time discussing those that fit to traditional budgeting practices and those that serve for a shift toward more advanced models. In the next sections a summary of Institutional Theory and general explanations of Diffusion of

Innovations Theory, Travel of Ideas framework and Management Fashion are given. Before starting Beyond Budgeting description, investigation its presence in Ukrainian printed and electronic sources and its existence and implementation from the perspective of different theories, it would be logical to start with broader themes, namely, Management Control and Management Control Systems.

2.1. Management Control and Management control systems

In order to study Beyond Budgeting phenomenon it is necessary to define its place in relatively to Management Control and Management Control Systems. To do so the previous achievements and different MCS understandings in this area are summarized. It is therefore important to compare command and control approaches to Management Control understanding and more flexible and dynamic MCS.

Beyond Budgeting is a relatively new MCS and before to start reviewing its design, features and implementation in home area and outside Scandinavia it is needed to define what is meant by management control systems and which management control frameworks are closest to Beyond Budgeting one.

The definition of Management Control System had been given by numerous researchers in different ways but there is still no one generally accepted and used term (Chenhall, 2003; Strauss and Zecher, 2012). As a result, Management Control and MCS are understood and described in various ways, which led to different interpretations and sometimes slowed the research and pulled aside (Otley et al. 1995; Malmi and Brown, 2008; Ferreira and Otley, 2009).

Basically MCS are considered as tools that help managers to implement strategy and to successfully maintain operational control (Simons, 1991).

Merchant and Van der Stede (2003) presents Management Control as a set of devices and systems that help managers to preserve and maintain the actions and motivations of employees according to organizational strategy. Authors distinguish personnel limitations, motivational problems and lack of direction as one that should be seen as the main management problems. *«It is people in the organization who make things happen. Management controls are necessary to guard against the possibilities that people will do something the organization does not want them to do or fail to do*

something they should do... If all employees could always be relied on to do what is best for the organization, there would be no need for MCS» (Merchant and Van der Stede, 2003:8). Thus Management Control Systems are designed to control employee's behavior and to direct in line with organizational objectives and strategies (Merchant and Van der Stede, 2003).

Anthony and Govindarajan's "Management Control Systems" is based on Anthony's classical framework at the same time giving, probably, the first definition of Management Control which states that "*Management control is the process by which managers assure that resources are obtained and used effectively and efficiently in the accomplishment of the organization's objectives*" (Anthony, 1965:17). Anthony had distinguished strategic planning, management control and operational control within an organizational hierarchy, thus, giving to management control a role of a link between a long- and short-term performance.

Although Anthony had defined Management Control as an academic topic and is now considered as a godfather of the discipline, many researchers have pointed to the fact that through the time his findings now have a lack of connection with current reality and are now far from being relevant (Hofstede, 1978; Emmanuel et al., 1990; Otley et al., 1995; Langfield-Smith, 1997; Merchant and Otley, 2007). In particular, Anthony's approach has been criticized for its narrow point of view (concentrating mostly on financial and accounting point of view) and management control separation from strategic and operational control (Hofstede, 1978; Langfield-Smith, 1997). Otley et al. (1995) noticed that since Anthony developed his framework the whole discipline started to move in a strictly accounting and financial key. Anthony responds that as far as there are no brand new solutions for the concepts that would fully meet modern demands and requirements, the frameworks that already exist are relevant and still valid. He predicts that new framework will come someday but until then it is natural to keep studying the one that is already developed (Anthony and Govindarajan, 1998).

Simons presents one of the most popular approaches in Management Control Systems conceptualization – Levers of Control (Simons, 1995). Unlike Anthony (1965), Simons focuses not only on formal control mechanisms and command-control perspective but recognizes also social and cultural control. However, the fact that Simons' MCS are designed for top-management and don't take into account

managers from lower levels allowed several researchers to criticize this approach (i.e. Ferreira and Otley, 2005; Langfield-Smith, 1997).

Concluding, it can be outlined that Simons (1995, 2000) and Merchant and Van der Stede (2003) have a broader view on MCS than Anthony and Govindarajan (2007) but only Simons doesn't follow "command and control" understanding of Management Control, distinguishing both formal and informal levels. At the same time Anthony and Govindarajan (2007) have narrower view than Simons as they don't put a feedback mechanism between targets and actions like Simons does and because of the "command and control" perspective.

Thus, Simons' framework is the closest one to Beyond Budgeting among the three MCS approaches presented while Anthony and Merchant and Van der Stede describe the framework that is typical for organizations with traditional budgeting or mixed management control model.

As it was mentioned above, recent studies suggest that existing management control framework is no more relevant in current environment and doesn't serve the needs of all stakeholders anymore (Nixon and Burns, 2005). Moreover, there is no conceptualization that would meet the needs of present time. Nonetheless, practices and new approaches in Management Control emerge faster than theories and conceptualizations developed by researchers (Skår, 1997) and the case of Beyond Budgeting had clearly shown it (Wallander, 1999).

A lot of the researchers studying Beyond Budgeting issues claim that this concept can respond to management control challenges (i.e. Østergren and Stensaker, 2011; Ton-Nu, 2014) even though it is not a standardized solution and is extremely difficult to implement (Banovic, 2005).

2.2. Criticism of Traditional Management and Budgeting

Despite its central role in management control process in last century, recent stream of publications motivated by concern with the more dynamic and flexible MCS found this tool obsolete and noncompetitive anymore. Authors called it "broken" (Jensen, 2001) and "an unnecessary evil" (Wallander, 1999). Traditional budget-oriented management has been widely criticized for its inability to create a high

performance climate inside the organization (Hope and Fraser, 2003b). Management model based on budgets fails to provide a responsibility and accountability among the employees for customer satisfaction as they concentrate on financial performance. Finally, budgets fail to ensure empowerment for staff: they are not authorized to make dynamic resource allocation decisions since they are responsible for fixed budget numbers following (Hope and Fraser, 2003b). Hansen et al. (2003) summarized budget disadvantages into four statements:

1. Budgets are time-consuming and often not value-creating;
2. Budgeting management model is not adaptable and thus is not compatible in dynamic business environment;
3. The budgeting process has a low or no link with corporate strategy;
4. Budgeting itself is a fixed performance contract instead of being relative and continuous.

In 2003 Hope and Fraser presented the most famous Beyond Budgeting work, which is the most comprehensive and detailed collection of budget criticism and Beyond Budgeting manifestation.

Bogsnes (2009) outlined seven major problems with traditional budget-based management: trust, cost, target-setting and evaluation, bonus, rhythm, quality and efficiency problems were successively addressed in his main work “Implementing Beyond Budgeting” (2009) and solved from the practitioners point of view.

2.3. Beyond Budgeting as the latest evolution form of management control systems

The first loud debates around management control systems and particularly – budgets had been raised by Johnson and Kaplan (1987) in their «Relevance Lost» article. They put an emphasis on unsuitability of the existing management accounting practices in modern volatile environment. The second wave of criticism was launched by Jan Wallander (1999) in his budgets expression as «an unnecessary evil» and by Hope and Fraser who have created the most comprehensive Beyond Budgeting framework with 12 guiding principles. Hope and Fraser now are considered as the main ideologist behind the concept. *“If the story of Beyond Budgeting were to be written as a story of “great inventors”, then the people*

starring in this story would certainly be Jeremy Hope and Robin Fraser.” (Becker et al., 2010:10). The central idea behind the whole concept is a radical decentralization and traditional budget abandonment with its further substitution with the range of modern tools and right leadership principles (Hope and Fraser, 2003). The biggest challenge Beyond Budgeting philosophy calls for is a mind-set change since it is not an issue of tools (Daum, 2005; Bogsnes, 2009, 2013). Decentralization and empowerment is considered as the main drivers of success in the most popular Beyond Budgeting case – Svenska Handelsbanken (Wallander, 1999; Cäker et al, 2014).

2.3.1. Beyond Budgeting 12 Principles

Twelve Principles of Beyond Budgeting had been developed by BBRT as a set of leadership and process principles. These principles are, probably, the most convenient measurement for defining the level of Beyond Budgeting implementation by organization. Comparing adoption of the concept in Ukrainian companies and in famous companies that gone Beyond Budgeting (i.e. Statoil, Telenor) will be especially useful and relevant with this guidance. Next subsection will present a history of debates concerned an importance of all twelve principles implementation since some researchers suggest that each organization should chose those principles that fits their own internal and external environment and current circumstances while many companies have already followed these propositions.

Change in leadership	Change in processes
1. Values - Govern through a few clear values, goals and boundaries, not detailed rules and budgets	7. Goals - Set relative goals for continuous improvement, don't negotiate fixed performance contracts
2. Performance - Create a high performance climate based on relative success, not on meeting fixed targets	8. Rewards - Reward shared success based on relative performance, not on meeting fixed targets
3. Transparency - Promote open information for self management, don't restrict it hierarchically	9. Planning - Make planning a continuous and inclusive process, not a top-down annual event
4. Organization - Organize as a network of lean, accountable teams, not around centralized functions	10. Coordination - Coordinate interactions dynamically, not through annual planning cycles
5. Autonomy - Give teams the freedom and capability to act; don't micro-manage them	11. Resources - Make resources available as needed, not through annual budget allocations
6. Customers - Focus everyone on improving customer outcomes, not on hierarchical relationships	12. Controls - Base controls on relative indicators and trends, not on variances against plan

Table 2.1. The Beyond Budgeting key guiding principles (Statoil version (biblogg.no)).

2.4. Theoretical Framework

The main aim of this Thesis is not to study Beyond Budgeting per se, but to focus on the communication of the concept in Ukraine. For this reason the New Institutional Theory and its three branches – «Travel of Ideas» framework, Diffusion of Innovations and Management Fashion Theory had been chosen as a background. After reviewing and analyzing a range of works dedicated to management accounting innovations diffusion it has been noticed that scholars always employ at least one of this frameworks and often combine several approaches like it was done in BSC studies (Ax and Bjørnenak, 2005). It was not evident in the beginning which theory will give the most complete answer on the questions asked in this Thesis. To be sure that all variants are taken into accounts it was decided to employ all the perspectives that have succeeded in the explanation of diffusion or non-diffusion of particular management accounting innovations. However, the Travel of Ideas model is taken as a main one in this research and others are considered as additional tools.

Czarniawska and Sevón (1996) see at least two reasons for studying the change itself. First one is a presence of movement as an important condition for research as only the dynamic process is available for analyze and conclusion-making. Static pictures very seldom have something to offer to researches (Czarniawska and Sevón, 1996). The second reason refers to the ability of changes to review and to dismantle old practices that previously were taken for granted and to establish new ones that tend to be superior to that being dropped (Czarniawska and Sevón, 1996). Thus the need of studying Beyond Budgeting movement in terms of changes, circulation process, cross-national and cross-cultural diffusion is highlighted.

An adoption of Beyond Budgeting outside its home area can be considered from the perspective of several management theories, such as Institutional Theory, Scandinavian Institutionalism and Management Fashion Theory. Greenwood et al. (2008) outlined a number of the most prominent and relevant directions for future research in the field of institutionalism. Among others diffusion and translation issues are listed. Many recent studies have already gone beyond the diffusion notion

toward translation model in order to get a broader understanding of an institutional processes and practices that transfer from one territory to another (Greenwood et al., 2008; Zilber, 2006). Researchers also should examine in greater detail the process of management practices and concepts being spread from one institutional environment (where it's completely legitimized and taken-for-granted) to another (where these concepts and practices become unexpected and often meet the resistance) as it allows to examine real diffusion power and limits (Sanders and Tushke, 2007).

2.4.1. Institutional Theory

According to Institutional theory, which many researchers consider as a dominant perspective on organizations understanding (Greenwood et al., 2008), design, implementation and adoption of management control systems are strongly depend on the rules and norms of business and cultural environment in which organization operates (DiMaggio and Powell, 1983; Meyer and Rowan, 1977). That is the case for Beyond Budgeting also, so the view from the perspective of the institutional approach is needed.

New Institutional theory that is most appropriate to describe the processes and the relationship between the traditional budget and Beyond Budgeting have been started with two classic works - «Institutionalized Organizations: Formal Structure as Myth and Ceremony» by Meyer and Rowan (1977) and «The iron cage revisited - institutional isomorphism and collective rationality in organizational fields» by DiMaggio and Powell (1983). A whole school of sociological thought that challenged economic theory, organizational theory and even political sociology has grown from these articles (Scott, 2008).

Meyer and Rowan were the first who said that we are appeal not to the human in terms of rationality and logic but to the human in terms of habits and rituals. The main inconsistency of institutional organizations according to them is that Categorical rules fail to keep the logic of efficiency (Meyer and Rowan, 1977). Organization that became a part of institutional environment acts accordingly to defined rules given by institutions. Once company had aligned itself with institutional context it got benefits such as legitimacy, resources, higher survival chances, approval of stakeholders, stability. Since institutionalized organization accepts the rules of the game, it inevitably faces two problems that are generated by

institutions. The first one – efficiency, immediate problems solving and productivity are sacrificed in order to act with no gap with institutional context. The second one – several myths generated by probably one type of society don't much with each other in one organization, thus, fulfilling internal environment with incompatible structural elements, which is nonetheless being imposed by institutions.

DiMaggio's and Powell's article (1983) partially developed the ideas of their predecessors, for example, it extends the notion of isomorphism and embeddedness of organizations. Instead considering the organizations as independent profit-maximizers, they take an organization whose members follow a certain basic set of rules and myths as the unit of the analysis.

Researchers are convinced that the theory of institutional isomorphism can help explain the observations, according to which organizations become more uniform, and the elite often get their way, at the same time, it allows us to understand the irrationality, the collapse of government, as well as the lack of innovation - throughout the organizational life (DiMaggio, Powell, 1983, Zucker, 1987). We can now consider traditional budget and Beyond Budgeting through the lenses of three types of isomorphism that can explain why the first is still so successful among the organizations and the second one can't break through the wall of institutional myths, traditions and standards.

2.4.2. Scandinavian Institutionalism

Term Diffusion (Rogers, 2003) (which will be discussed latter in this chapter) has got the broad popularity due to Everett Rogers, whose book had launched a global interest to the diffusion problem among the broad circle of researchers. In 1990s the diffusion literature and practice have been broaden by the *Management Fashion* and *Travel of Ideas* theories (Zilber, 2006). Both perspectives have much in common in terms of understanding and explaining the diffusion and adoption of ideas and practices in different environments. Both of them seek to explain the popularity or failure of certain innovations. At the same time, in case of Management Fashion Theory some researchers avoid the term “fashions” and employ “travel of ideas” to emphasize that the topic is much more broad (Klincewicz, 2006).

Nevertheless, all three approaches to the study of diffusion of innovation have different points of view. From the perspective of innovation diffusion theory, ideas circulate and getting implemented because they can offer an advantage, to bring a rational solution for organizations seeking to solve a particular problem (Rogers, 2003). At the same time, proponents of other point of view see the movement of various ideas as something irrational and being expressed as a fads and fashions (Abrahamson, 1991; 1996). And, finally, to the Scandinavian institutionalists there are ideas that getting modified during the travel in space and time, as an opposite to the diffusion perspective of being diffused in linear order.

Even though, diffusion of innovations (particularly in Beyond Budgeting low rate of adoption explaining (Becker et al., 2010; 2011)) (i.e. Bjørnenak, 1994; Clarke et al., 1999; Ax and Bjørnenak, 2007;) and management fashion models have been used more often in a management innovations evolution studies (i.e. Malmi, 1999; Benders and Van Bijsterveld, 2000; Jones and Dugdale, 2002; Benders and Verlaar, 2003; Bjørnenak, 2005), this study is the case when Travel of Ideas fits more than others taking into account all circumstances and features of the research.

The translation of management innovations, such as Balanced Scorecard (BSC), Activity-Based Costing (ABC), Re-engineering, Total Quality Management (TQM), Lean production, Outsourcing is considered as a key issue for management studies (Sturdy, 2002). All of these concepts would have simply not “conquered” the management knowledge market without being translated.

The notion that ideas and practices go through changes as they travel was developed by label “Scandinavian Institutionalism” and the main issue to study was a matter of circulation and further change of ideas (Czarniawska & Joerges, 1996; Czarniawska & Sevón, 2005; Sahlin-Andersson, 1996). Scandinavian institutionalists aimed to answer the questions such as: «how and why ideas getting widespread? », «how they are adopted and translated? » and «what do they drop or gain in a new area? » (Sahlin and Wedlin, 2009).

The simplest explain of Traveling Ideas model can be given as “translation is a process that arises in the interval of time and space between the idea’s first appearance and its institutionalization (or transformation from the object back to the idea and vice versa). Translation is a crucial part of diffusion process as idea comes alive when goes through it. An important part of circulating ideas studies is that ideas

are always brought and turned into something new (Sahlin and Wedlin, 2009; Czarniawska & Sevon, 1996). This means that the process of imitation according to this theory is not just a copy but a change and innovation. During the process of translation mediators and receivers edit imitations – rename, reinterpret, adapt to their environments, customize, add and drop particular parts and sometimes reinvent the received idea (Sahlin-Andersson, 1996). Sometimes master ideas are translated and adopted in a way its originator couldn't even imagine (Westney, 1987): idea can be interpreted quite differently than it actually is or it can lose its fundamental principles and functions (Erlingsdottir and Lindberg, 2005; Solli et al., 2005). Hwang and Suarez (2005) emphasized that translation mostly depends on “travel agents” and their engagement and impact power. In Scandinavian institutional literature those who transport and circulate management knowledge are called *carriers*, and described as those who behave both actively and passively relating to the transported idea (Sahlin-Andersson and Engwall, 2002). Thus, unlike in previous studies that aimed to explain an ideas and objects circulation, Scandinavian approach claims that *«each act of translation changes the translator and what is translated»* (Czarniawska and Sevon, 2005:7).

Czarniawska and Joerges' model (Figure 1) illustrates the phases idea passes during the circulation. It takes a countdown from the place or time A and then translates into object. This process involves materialization, for example, into text, picture or prototype thus ceasing to be just a symbol like neo-institutional literature use to describe it. The next step in this link is to turn into action and the last destination is an institutionalization after being repeated enough and stabilized. Illustration also clearly shows the possibility for a new object to get easily translated into idea back and to start translation again under different circumstances and environment.

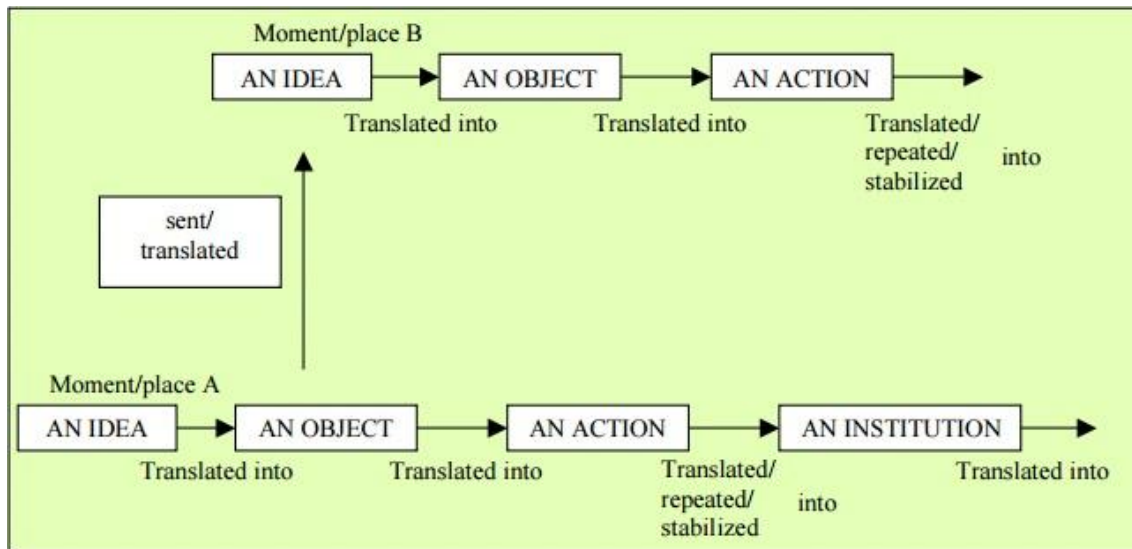


Figure 2.1. Czarniawska and Joerges' (1996) travel of Ideas Model.

An additional contributions to the general translation model have been made later by researchers, putting into theoretical framework a notion of editing (Sahlin-Andersson, 1996) and extending existing model with four translation phases – disembedding, packing, unpacking and reembedding (Erlingsdottir and Lindberg, 2005).

In addition to the process of turning the idea into an object, it still has to be moved by somebody's curiosity and enthusiasm; it needs to be demanded by certain receivers in order to be unpacked and reembedded (Czarniawska, 2014). Even after being materialized objects can finish as an old books or forgotten models if no one pays attention and interest to them.

Sahlin-Andersson and Engwall (2002) outlined three types of management knowledge carriers – consultants, media, business schools and practice in companies. This is shown in Figure 2.2. All these factors shape the transferred content and attitude towards it. During the translation process they cooperate between each other as well as face a competition. However, sometimes one or several carriers can be absent in particular management concept transfer process or the translation can be performed by performed by only one actor.

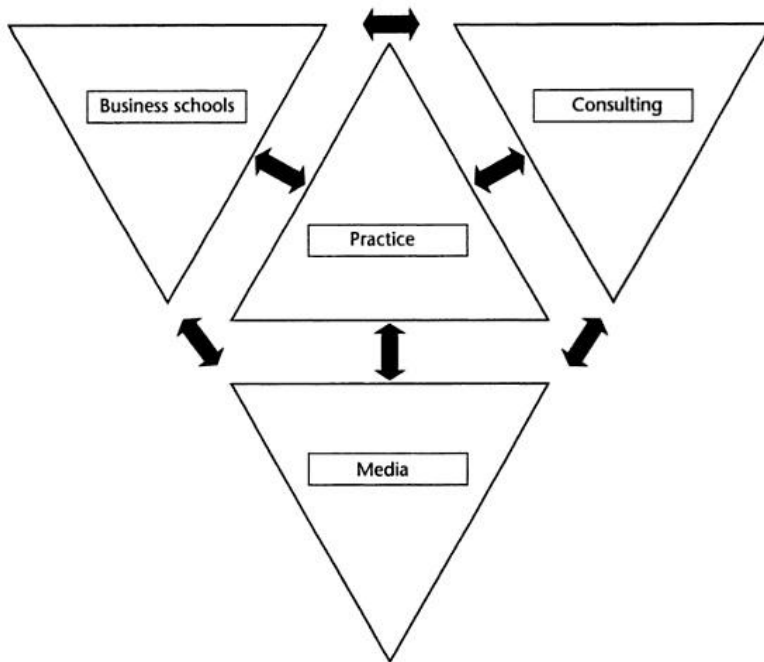


Figure 2.2. Interaction between management knowledge carriers (Sahlin-Andersson and Engwall, 2002:15)

Different management knowledge carriers have a different degree of interaction in translation process, audience size and thus impact on final receiver which is shown in table 2.1. Carriers thus collect, process and distribute management knowledge with different success (Sahlin and Wedlin, 2008). While consultants (who didn't take part in Beyond Budgeting transfer in Ukrainian business practice) have relatively low level of distribution impact, academia is characterized as a medium-level distributor and media has a highest distribution power.

Activity	Key variable	Academia	Consultants	Media
Collection	Control	High	Low	Medium
Processing	Interaction	Medium	High	Low
Distribution	Audience size	Medium	Low	High

Table.2.1. A comparison of three carriers of business knowledge (Sahlin-Andersson and Engwall, 2002:17)

In Beyond Budgeting practices it is a broad field for experiments in sense of translation: companies can implement this framework basing on their own exclusive traditions, business principles and circumstances as well as the peculiarities of their environment. Managers can follow the advice of many influential Beyond Budgeting proponents and find their own optimal combinations and balances for leadership and process principles (incl. level of decentralization or balanced scorecards and rolling forecasts design), moreover, the whole adaptation of Beyond Budgeting to each organization is a huge amount of work which is going to be done without clear guidance.

Debates about implementation of all 12 Beyond Budgeting principles don't stop, forming different opinions and views even among BBRT founders and the most influential promoters. Different writers put forward different principles and tools, stressing the importance of one's while not paying too much attention to others. As a result even various models and sets of principles appears during different interpretations (Johanson, 2013), distinguishing, for example, between North American financial-oriented model (Player, 2007) and more visionary and human nature-oriented approach in Norway (Bogsnes, 2009; 2013), thereby, emphasizing the influence of local treatments which is again in line with Scandinavian Institutionalism. These national translations of Beyond Budgeting contain opposing views on the number of principles, key statements, like trust issues, rewards, organizational goals, performance, structure and the design and use of management control looks such as Balanced Scorecards and Rolling Forecasts (Johanson, 2013).

Travel of Ideas model also raises a lot of issues concerned with the role of mediators (Czarniawska and Sevon, 2005; Hansen and Salskov-Iversen, 2005; Powell et al., 2005). Røvik (2007) discusses the role of translators and its personal degree of engage. Whether they should influence and reshape an idea during the translation process or should they be invisible and neutral as much as possible? These questions will be examined in further chapters of this Thesis, when analyzing empirical data. Among them is an attempt to find out whether translators play positive role in Beyond Budgeting dissemination in Ukraine or their actions did a negative effect.

2.4.2.1. Theory of transposition

Transposition is a first stage of innovation importation according to a theory of structure (Sewell, 1992). It is an act of applying a certain practice from one context to another, when the new context will consider it as an innovation because this practice is not familiar in this location (Sewell, 1992). Extending modern organizational institutionalism and translation perspective this theory seeks to explain how different management practices getting transported across various institutional fields and national boundaries and thus being adopted in the context with different institutional logic and legitimacy notions (Scott, 1987; 1994; Strang and Meyer, 1994). Managers bring new practices that they are already familiar with from foreign context to their domestic settings and here it is likely to be a trigger for successful adoption. *“Whenever a practice is transposed from a field that is dominated by a different institutional logic, this foreign practice is likely to break with the field frame that informs current practices”* (Boxenbaum and Battilana, 2005). When managers regard a foreign practices and management systems as legitimate and rational they tend to import it in their own organizations, editing it and making fit to new institutional framework. This assumption supports translation theory in terms of heterogeneity of innovation adopted since it doesn't embed without changes and edition process (Sahlin-Anderson, 1996).

2.4.3. Management Fashion Theory

Some responses to fluctuations in the popularity of various control technologies in management theory and practice had been given in academic literature long before famous “Management Fashion” article by Abrahamson (1996). For example, such a response can be found in Henry Mintzberg's monograph (1983). Among the contextual factors affecting the structural characteristics of the organization author separately mention the organizational forms fashions, where consulting firms are the main legislators (Mintzberg, 1983).

However, Abrahamson's “Management Fashion” remains the most influential and most cited in the field. Abrahamson draws attention to the fact that, that even though the institutional theory has an ability to explain the mechanisms of innovation transformation into institutions, it fails to provide an explanation of management tools and concepts popularity fluctuations (Abrahamson, 1996). Management Fashion Theory as a development of neo-institutional model of Meyer and Rowan

(1977) provides a view that management practice becomes a fashionable when it is widely recognized and accepted as one that fully fits the norms of rationality and progress (Abrahamson, 1996). Beyond Budgeting fits both of these conditions but it still can be hardly seen as a fashionable innovation in comparison with, for example, Balanced Scorecard or Rolling Forecasts. The explanation of this paradox can be found in Rodgers' (1965) Diffusion of Innovations Theory which will be observed and discussed in the next section of theoretical part.

Kieser and Hegele (1998) insist that it is needed to clearly distinguish between theory and fashions, since the second present itself as a simplified, naïve and pseudo-scientific solutions with weak empirical background and usually refer to manager's emotions. At the same time, other researchers believe that management fashion is broader and more important (Czarniawska and Joerges, 1996; Czarniawska and Sevón, 1996). Czarniawska and Joerges (1996) claim that management fashion is not only about simple adoption or rejection of idea, rather it deals with translation process. The ideas and practices behind the same management fashion are always different, thus, these ideas can be translated in various ways, experience changes and gain or drop some elements.

Management Fashion Theory claims that the form and the content of fashions vary across different locations as adopters interpret and translate them in various ways (Malmi, 1999; Ax and Bjørnenak, 2007; Benders and Van Veen, 2001; Giroux, 2006). From this perspective Management Fashion repeats a couple of statements declared by Scandinavian Institutionalism but in a little bit narrower form (Røvik, 2002). Czarniawska and Sevón (2005) called fashion as a steering wheel of ideas translation and directions of traveling. However, while circulating ideas researchers concerned with the routes of ideas the process of translation, management fashion studies follows the central research question – why some management fashions diffuse and get adopted quickly and widely while others don't (Abrahamson, 1991; Kieser, 1997; Madsen and Stenheim, 2013; Jackson, 2001).

Benders and Van Veen (2001) extended both management fashion and travel of ideas theories, introducing the notion of “interpretative viability” – concept predisposition to more free interpretations, which allows it to get a more widespread use among potential adopters. Interpretative viability allows organizations to interpret the concept in their own way, shape it, and take those elements that fit particular cultural

or business context which, in turn, results on homogeneity and heterogeneity among organizations (Benders and Van Veen, 2001; Sahlin-Andersson, 1996; Erlingsdottir and Lindberg, 2005).

Nowadays Management Fashion is an established research perspective which as well as Scandinavian Institutionalism allows researchers to broaden the scope of institutional theory. But one cornerstone feature of management fashion theory doesn't allow explaining Beyond Budgeting dissemination from this perspective:

“When a management technique becomes fashionable in a collectivity, it will tend to diffuse rapidly and extensively across organizations in this collectivity.” - (Abrahamson, 1996).

Since this description doesn't fit to Beyond Budgeting due to its relatively low rate of adoption, it can't be explored from this point of view like it was possible with the BSC or ABC diffusion studies. Rather different theories and principles of management fashion studies can help to explain a rate of Beyond Budgeting adoption as well as its main mediators and carrier's behavior and motives.

2.4.4. Diffusion of Innovation Theory

Diffusion of Innovations is a traditional explanation of ideas circulation in management studies (Czarniawska and Sevon, 2005). In this Thesis I will use more advanced approach, named Travel of Ideas Theory, however, diffusion model needs to be described in theoretical part as a background and main source of inspiration for more recent theories. Term Diffusion has got the broad popularity due to Everett Rogers, whose book had launched interest to the diffusion problem among the broad circle of researchers (Rogers, 2003).

This theoretical perspective is criticized for its considering adopters as an independent and rational decision-makers (Rogers, 2003) while institutional point of view took more pragmatic position (DiMaggio and Powell, 1983; Czarniavska and Joerges, 1996) and with fashion perspective that had gone even far, putting in the corner the assumption of irrational fads and fashions (Abrahamson, 1991; 1996).

Diffusion of Innovations approach has been repeatedly criticized by Scandinavian Institutionalism for studying diffusion process as a mechanical and static top-down

phenomenon (Brunsson 2002). Diffusion perspective suggests that ideas are getting translated because of its original strength. This assumption made a shift in research from ideas carriers towards a routes, local settings and rate of adoption issues (Sahlin and Wedlin, 2006). Thus Scandinavian institutionalists began to put emphasis on the assumption of ideas power as a result of being circulated and not circulate because of this power (Czarniawska and Joerges, 1996; Sahlin and Wedlin, 2006). But still, these two theories have much in common, especially in identifying stages of innovations spreading.

While diffusion is defined by Rogers as a «*process in which an innovation is communicated through certain channels over time among the members of a social system*», Czarniawska and Joerges (1996) called this process a «travel». Rogers change agents is substituted by carriers, mediators and editors in Scandinavian translation vocabulary. Bundling process in diffusion terminology means the same as act of editing with disembedding and reembedding process. There are a lot of matches also between Diffusion Theory and Management Fashion perspective, for example, what in Rogers approach is defined as a *trialability* (Rogers, 2003), is called *interpretative viability* (Benders and van Veen, 2001) in Fashions Theory. Both definitions mean innovation's (fashion's) ability to leave a certain space for its interpretation and experimentation, being vital for innovations diffusion and Beyond Budgeting dissemination in particular (Becker et al., 2010).

2.4.5. Diffusion of Management Accounting Innovations and Management Control Systems

This work is not a first management accounting innovations diffusion/circulation study as a lot of papers have been focused on various management accounting ideas evolution. Some of them were aimed to explore the reasons and patterns of certain concepts popularity others were designed to explain the adoption or non-adoption of management innovations. Most of these studies were built around the most successful inventions – Activity-Based Costing (ABC) (incl. Gosselin, 1997; Bjørnenak, 1997; Bjørnenak and Olson, 1999; Malmi; 1999; Clarke, 1999; Jones and Dugdale, 2002) and the Balanced Scorecard (BSC) (incl. Malmi, 2001; Kasurinen, 2002; Qu et al. 2009; Karlsson and Torgerson, 2011; Madsen and Stenheim; 2014). Above-mentioned innovations as well as Beyond Budgeting were created to change

the obsolete management accounting and control practices thus to make a considerable shift in institutional work. In 1990s these concepts have been studied as the promising ones, and several studies tried to explain a low rate of adoption across national firms as it was in ABC case (Bjørnenak, 1997; Malmi, 1999; Clarke et al., 1999). Many researchers found a pattern between ABC adoption in Anglo-American and non-English speaking countries toward the lower adoption rate among the last ones (Ask and Ax, 1992; Lukka and Granlund, 1994; Sorensen and Israelsen, 1996).

However, the popularity of new management ideas have been growing year by year and now ABC, BSC, Target Costing, EVA are now considered as a legitimate and take-for-granted as a part of institutional organizational environment (Meyer and Rowan, 1977) while Beyond Budgeting still experiencing notable difficulties with diffusion and adoption (Becker et al., 2009; 2011). These issues will be analyzed in next section.

What is the most important for this study, management accounting innovations were also explored from the perspective of Czarniawska & Joerges' (1996) Travel of Ideas approach. Ax and Bjørnenak (2005) explained the packaging and diffusion of the BSC in Sweden using translation model. They described a transformation process presenting a route from the original BSC package through its bundling with other elements and becoming a Swedish version of BSC and finally the diffusion among potential adopters. However, they mixed different theoretical perspectives and approaches in their study, using also Diffusion of Innovation theory and Management Fashion literature.

2.5. Debates around BB diffusion and adoption

One of the main aims of this Thesis is to define and analyze the way Management Control System (namely, Beyond Budgeting) moves through the cross-cultural diffusion and the form it takes beyond its home area, in our case – Ukraine. As a starting point, it is needed, first of all, to briefly introduce the topic and explain of main definitions and concepts.

Some case studies also show that many of the companies that went Beyond Budgeting still use annual budgets (Frow, 2010; Henttu-Aho and Järvinen, 2013;

Sandalgaard and Bukh, 2014). While Beyond Budgeting pioneers claim that it is quite easy to implement the concept and the only barrier managers face is a mind-set issue (Wallander, 1999; Bogsnes, 2009). At the same time this barrier is considered as an extremely difficult to overcome (Rønning and Lysne, 2008) and most of the companies that declared their Beyond Budgeting journey didn't adopt most of the leadership principles, concentrating on certain tools and techniques (Johanson, 2013; Henttu-Aho and Järvinen, 2013).

Still, there are not so many companies that gone Beyond Budgeting (Libby and Lindsay, 2010) despite the paradoxical situation – most of the companies do acknowledge that budgets are expensive, obsolete tool that are static, non competitive and far from value-adding – it is still unquestioned and taken-for-granted part of management control system in a vast majority of the companies around the world. A moderate popularity of the concept has been achieved only inside Scandinavian countries. Many researchers explain this relatively low level of dissemination by cultural dimensions between Beyond Budgeting model that fits a lot of Scandinavian local contexts and values and the rest of the world where these cultural peculiarities varies significantly. Many attempts have been made in order to study a rate of Beyond Budgeting adoption and barriers it faces in different countries.

Beyond Budgeting evolution seldom avoids comparisons with another management innovations which nonetheless been able to achieve more impressive results in diffusion process. Unlike in case with BSC or ABC adoption there are relatively low number of Beyond Budgeting diffusion studies due to not enough rate of adoption which in turn still doesn't allow to find out some clear patterns regarding who adopts Beyond Budgeting (Navekvien and Johnsen, 2011). Therefore it is important to follow the logic of these concepts evolution and dissemination achievements by reviewing general findings in this field in order to find more similarities in ABC, BSC and Beyond Budgeting movement.

As it was mentioned above, Beyond Budgeting is not another one management accounting tool like that can be taken and implemented in an average company just following instructions and receipts without changing management control systems or even the whole philosophy of organization (Hope and Fraser, 2003a; Ax and Bjørnenak, 2007; Bogsnes, 2009). Since being a guiding set of principles and brand new management concept it requires a global change in existing management

approaches and in employees' mind-set. This reason is considered as one of the crucial when explaining a strong resistance such a radical innovation meets all over the world, especially in developing countries, where top-down management still dominates. In vast majority of cases the Beyond Budgeting implementation appears not under this label (Becker et al., 2010) but occurs independently. Also organizations seldom follow all twelve principles and entire philosophy, using only a part of the tools offered (Becker et al., 2010; Kaarbøe et al., 2013b; Henttu-Aho and Järvinen, 2013), while a range of command and control levers remains. This can be partly explained by the fact that managers tend to interpret new management ideas differently (Oliver, 1991; Modell, 2009) and various approaches to adoption of Beyond Budgeting can be found even in the business units inside one company (Kaarbøe et al., 2013b).

It is also noteworthy that budgets are used to be perceived as a highly institutionalized tool and integral part of management control and accounting practices (Burns and Scapens, 2000; Henttu-Aho and Järvinen, 2013; Becker, 2014), that compose a stable rules and routines (Scapens, 1994, Burns and Scapens, 2000) and increase and maintain organizations' legitimacy (Meyer and Rowan, 1977). Even though there are empirical evidences that managers now appear to perform budgets in more flexible and dynamic way (Miller and O'Leary, 1993), still it is a main cause of internal resistance when organizational change comes. Beyond Budgeting was promoted as an alternative tool instead of budgets, thus it challenges the most sustainable institutional field in most of organizations (Becker et al., 2010).

Still, probably, the most optimistic comment about Beyond Budgeting diffusion across the world is given by Hammer (2010) in his study of dependence between cultural peculiarities of the certain region and rate of Beyond Budgeting adoption: *«The implication is that Beyond Budgeting can be applied practically anywhere in the world. However, the cultural dimensions should not be overlooked as there is good indication that they can affect the speed of implementation and the efficiency of Beyond Budgeting»* (Hammer, 2010:64). This is the key statement for Beyond Budgeting diffusion studies and it was repeated by many other researchers: Beyond Budgeting spread can be slowed down, it can meet various barriers and resistance but it can't be stopped on its way outside predisposed countries. This is also what translation theory claims, emphasizing the power of circulation and editing process. Although Hammer concludes that the concept is not applicable worldwide and

successful cases such as Brazilian Semco (Bogsnes, 2010) he considers as an exception to the rules, he acknowledges that these cases emerge and exist, some of them fail, another achieve success, but they occur around the world in different and sometimes unexpected places.

2.6. Business Media in Management concepts diffusion

Previous studies have outlined business media as one of the most important and influential field of management knowledge dissemination (Greenwood et al., 2002; Alvarez et al., 2005; Sahlin-Andersson and Engwall, 2002). Researchers agree that both academic and professional press are of the great importance for successful diffusion of the management concept thus shaping collective beliefs towards its institutionalization and legitimization (e.g. Abrahamson, 1996; Spell, 1999, 2001; Mazza and Alvarez, 2000; Ruling, 2005; Scarbrough, 2005; Nijholt et al, 2014). Opinions have been divided between two main assumptions: while some authors suggest that management concept first appears in academic outlets and then spreads into business media (Beyer, 1992), others claim professional magazines as a roots of innovations diffusion triggers (Beyer et al. 1988; Spell, 1999). For example, Beyer et al. (1988) based on the empirical findings claimed that among the three types of influences, two of them (symbolic and conceptual) moves only in one direction – from practitioners to academics, while only political influence maintains status quo. Similarly, Spell (1999) found out that management innovations are begun to study a couple of years after the first attention is given in less academic-oriented journals.

In any case, both of these sources of information are hard to overrate and therefore academic literature as well as business press will be reviewed and analyzed in following chapters. The aim of this section is to sum up and discuss the previous contribution to the studies of management innovations diffusion through academia and business journals.

2.6.1. Academic journals in Management ideas traveling

Beyer et al. (1988) have outlined three ways scholars and practitioners influence each other. They directly influence each other practices using conceptualized theories in

field and in turn developing emerged practices as a theoretical knowledge. Both of them pick up rhetoric symbols from the opposite side and use it in their own practices. And finally, they legitimize each other's concepts thus making a great institutional job (Beyer et al., 1988). However empirical findings show that the speed and volume of business press influence in management ideas and practices diffusion and translation process is much bigger than it is for academic outlets (Beyer et al., 1988; Spell, 1999). While the proponents of this hypothesis are sure that academic literature simply follows and supports current fashions, other researchers suggest that the nature of this lag is rather mechanical than conceptual explaining it with the difficulties and delays of coming to academic press, getting reviewed and approved.

Recent studies by Ukrainian researchers help to shed light on this issue. Scholar activities and its further reflection in papers are not as developed as it is used to be in the western countries. As it had been noticed, the shift in papers writing and structuring has been made toward creativity and analysis reduction since the vast majority of articles are built around the compilation of secondary data from different foreign sources without a proper conceptualization and conclusion (Zelinska, 2013). It means that academic literature doesn't use enough the opportunity to influence and define the direction of management ideas rationalization and legitimization (Meyer and Rowan, 1977). Discussions and debates around the academic issues and innovations are usually provided in business press, however, with no or little scientific background and justification.

But again, Ukrainian researchers outlined the following advantages of scholarly outlets comparing with the business ones. It is their efficiency makes the results of the research activity available to the public (Mriglod, 2012). Unlike commercial products that require restricting access to the intellectual property the copyright in science can be interpreted as the widest possible information dissemination with an author's indicating (Zelinska, 2011). Another one argument is that academic periodicals have a higher quality due to mandatory review while business press has a free-form narrative without bearing on the facts and empirical data (Mriglod, 2012).

There are opinions that modern periodical academic press in Ukraine has enough ability to form and diffuse scientific activity intensification and accelerate results implementation in day-to-day practice through available communication channels (Konovetc, 2008). Researchers suggest that nowadays it should serve as an important

component of scientific communication system, facilitating the functioning cycle "science-technology-production" or "science-practice".

2.6.1.1. Academic journals in Ukraine

Scientific publication is an essential component of the national documentary and information resources. The main social function of these publications is to provide the society with the primary scientific information and to familiarize citizens with the content of scientific heritage. At the same time academic press performs an important social function of fixing scientific priorities and serves as a scientific communication channel since being interpreted as a material form of scientific knowledge movement (Voskoboynikova-Huzyeva, 2004).

Previous studies of Ukrainian academic literature have shown that although domestic printed scholar outlets are considered as not influential and effective enough, still it generates and provides an institutional work on supply side (Bessarab, 2013). This is one of most popular (if not primary) genres of scientific literature, making the reflex and recording of the scientific research progress very quick, shows the diversity of objective reality, helps to reveal the technology and methods of scientific inquiry and many more (Zelinska, 2013). Academic article helps to increase the overall information culture in society and provides all the necessary information about achievements in national science and directions of further research (Voskoboynikova-Huzyeva, 2004).

2.6.2. Professional journals in Management ideas traveling

Professional media play one of the most important roles in institutional process of management ideas and practices, including diffusion and legitimization (Alvarez, 1998; Newell et al., 1998; Mazza and Alvarez, 2000). Despite the fact that researchers notice a little attention paid to the role of business media in transferring and popularization of management concepts, two research perspectives have been outlined – Travel of Ideas and Management Fashion (Mazza and Alvarez, 2000; Ruling, 2005; Nijholt et al, 2014), although Management Fashion approach is more popular in these studies. Media has been considered as an empirical evidence of

management ideas evolution and diffusion (Abrahamson, 1996; Benders et al, 2007). In this respect, some attempts to study this issue have been made from the perspective of Management Fashion Theory, production side of management ideas market had been explored and certain actors in this field had been outlined (Abrahamson, 1996; Suddaby and Greenwood, 2001; Ax and Bjørnenak, 2005). These studies supported the point of view that the business media can serve as a mouthpiece and field for further management ideas dissemination. Thus so-called “fashion-setters” such as management gurus, consulting firms and professional organization are interested in influencing professional media in various ways.

Business journals were also considered from the perspective of Scandinavian Institutionalism by Røling (2005). He recognized this point of view alongside with Management Fashion theory, outlining both of them as Innovations Diffusion theory developments and, thus, being helpful in studying the influence of business media on management concepts transfers. Among others, he used notions of «translation» (Czarniavska and Joerges, 1996) and «editing» (Sahlin-Anderson, 1996) processes for describing diffusion process of management ideas throughout printed media and stated that management concepts do not come without changes from one context to another being de-contextualized and packaged-form during the travel (Røling, 2005). Nonetheless he used Management Fashion approach to study and explain management ideas and practices patterns and time-lags raised during the diffusion process through scholarly and non-scholarly journals. Four most popular management concepts of recent time have been studied in his work (Total Quality, Lean, Outsourcing and Re-engineering). One of the most interesting findings of this study was a conclusion that management concepts rarely compete and conflicting with each other. In search of legitimacy it is easier to spread in positive manner rather than to criticize existing ideas and practices (Røling, 2005). This rule definitely doesn't work in case of Beyond Budgeting. Examined concepts have been grown up sustainably during the years because of their extension nature and cooperation between different concepts. At the same time Beyond Budgeting is built upon criticism of a previous management practices and models offering a total substitution with no trade-offs (Becker et al., 2010). Also one of the business journals main tools – stories of successful implementation can't be used in case of Beyond Budgeting since this approach works only when the critical level of adoption is presented (Bjørnenak, 1997). The level of Beyond Budgeting implementation is not

compatible with the level of, for example, BSC or ABC (Libby and Lindsay, 2010) and the benefits of going Beyond Budgeting are hard to explain or imitate by potential adopters (Rogers, 2003; Becker et al., 2009). This is what makes the task of diffusion through business media more complicated comparing with other popular management concepts. These issues are reviewed in theoretical chapter as well as other barriers and opportunities for Beyond Budgeting diffusion process.

Mazza and Alvarez (2000) claimed that business press is one of the most important sources and even vital for management concepts diffusion and legitimization. This source does not just develop the popularization of management ideas after being described and discussed in academic literature but rather function as an independent channel of knowledge creation and diffusion (Eccles and Nohria, 1992; Mazza and Alvarez, 2000). Numerical studies underline the necessity of media attention to certain concept in order to make it fashionable (Abrahamson, 1996; Mazza and Alvarez, 2000; Kieser, 2002; Ruling, 2005). Moreover, researchers conclude that professional journals are the main arena for management ideas and practices legitimization (Czarniawska and Joerges, 1996; Czarniawska, 1997; Mazza and Alvarez, 2000; Nijholt et al, 2014). Particularly, Nijholt et al. (2014) empirically showed that business magazines do shape attitude towards idea while travelling from senders to receivers (Sahlin and Anderson, 1996) and at the same time emphasize a little affords made towards print business media back stage process study while drawing on its data. This Thesis is also aimed to explore this issue.

In total, the following advantages in terms of diffusion of business publication comparing with those in academic space can be outlined:

1. Articles in business journals are written in less technical language which helps to spread the content faster and more widely than scholar journals do (Spell, 2001);
2. New management concepts emerge in professional publications earlier than in academy literature (Barley et al., 1988; Mazza, 1998; Spell, 1999; 2001);
3. Professional media has a larger audience and wider distribution channels (Spell, 2001; Sahlin-Andersson and Engwall, 2002; Ruling, 2005; Nijholt et al., 2014).

But, after all, both academic and business journals involved in the definition of successful management innovations and therefore both of them need to be considered in order to create and provide the best possible way of diffusion and translation process.

2.7. Summary

The theoretical chapter presents brief review of the main Management Control, Management Control Systems. The theoretical framework based on Institutional Theory and its three branches - Theory of Diffusion, Scandinavian Institutionalism and Management Fashion has been shaped and linked to the problem statement. Also one of the tasks of theoretical chapter was to summarize critique of traditional management control theory. This command and control approach in MC has paved a background of budgetary criticism and new conceptualizations offers.

3. Methodological Chapter

In Methodological chapter all information about research design and data collection will be given as well as philosophical position, validity and limitations issues will be observed. This chapter provides the link between theoretical framework, empirical findings and analytical part in order to help readers to understand how research questions are going to be answered.

3.1. Philosophical position

Researchers need to clearly formulate and present their philosophical position (Easterby-Smith, 2012) and this is without doubt important when writing Master Thesis since it defines further decision-making and choices made. Philosophical position helps researchers to clearly formulate and analyze choices and assumptions made during the research process. Positivist tradition assumes that world exist externally and thus research and studies are need to be carried out with objective measurements. This in turn means that researcher must be independent and is expected to develop a hypothesis. In contrast, social constructivism is based on the people-related approach where reality is determined by people and their choices rather than influenced externally and objectively. Also social constructivism-based studies must operate with a reach data and various ideas gathered (Easterby-Smith, 2012). Thus, taking into account above mentioned information, it is possible to place my study in the frames of the social constructionism paradigm. The description of the main criteria is summarized in Table 3.1. below:

Criteria	Social constructionism
<i>The observer</i>	- Is involved of what is being observed
<i>Human interests</i>	- Are the main drivers of science
<i>Explanations</i>	- Aim to increase general understanding of the situation
<i>Research progress through</i>	- Gathering data from which ideas are included
<i>Concepts</i>	- Should incorporate stakeholder perspective
<i>Units of analysis</i>	- May include the complexity of “whole” situation
<i>Generalization through</i>	- Theoretical abstraction
<i>Sampling requires</i>	- Small numbers of cases chosen for specific reason

Table. 3.1. Philosophical position (based on Easterby-Smith, 2012)

3.2. Research design

The empirical data for the research is based on both quantitative and qualitative methods: literature review is a first part while interviews served as main tools in the second part of research.

3.3. Data collection

In addressing the aim of the study I chose a literature review as a main source of empirical data. To answer the research questions it was not enough to focus only on

one of few sources of information so I decided also to take in scope all the available materials both print literature and electronic content. Another source of information I have used is interview conduction. Practitioners and business schools teachers have been interview in order to obtain the most recent and the broader information about Beyond Budgeting issues in Ukraine.

3.3.1. Literature review

Beyond Budgeting is relatively new phenomenon in academic and business world that began to attract an attention since late 1990's and gained the most popularity in the beginning of new millennium. The starting point of concept's diffusion outside Scandinavia may be considered the year of 2003 when the main Beyond Budgeting work had been published – «Beyond Budgeting: How Managers Can Break Free from the Annual Performance Trap» (Hope and Fraser, 2003b) which can be considered as a quintessence of Beyond Budgeting formulation and conceptualization into a new management framework. This is the reason why 2003 was taken as a first year for the start of academic and professional printed magazines review. The last year in this scope taken was 2015 respectively. However, most of the academic journals relevant for study are no more than ten years old, thereby, this circumstantial had facilitated the time limit of the study.

With regard to the time horizons, this limitation hadn't been taken into consideration in internet sources review in order to get all available data and since it doesn't take as much time as print media review does and time limit seems to be not so crucial. Some magazines are relatively new and are no more than 5 years of existence, while some of them, on the contrary, have ceased to exist prematurely or lost their licenses.

Literature review of both academic and business journals have been conducted through the hard copies of these journals in Vernadsky National Library of Ukraine. This is the biggest library in Ukraine and among 20 biggest in the world. Ukrainian academic journals have to meet a list of requirements and presence in National Library is one of them.

3.3.2. Selection of the relevant sources to be reviewed

Three sources of data collection had been determined: Ukrainian academic journals, business magazines and internet space. The whole spectrum of printed economics journals was selected and reduced to that amount presented in the final compilation. Method and logic of selection is explained step by step in the following sections.

3.3.2.1. Academic journals

Academic journals are one of the most important tools for scientific communication implementation between professionals in respect with the interests of their profession. It does usually contain information on theoretical and practical research and is designed for researchers and specialists in a particular field of science. Scholarly journal remains the main source of operational information on new advances in science and technology and, therefore, it is the most important tool that helps accelerate scientific progress. It contain information about the results and methods of research, an organization and planning of scientific research, as well as discussions about methodological aspects of science development are carried out.

Academic publications can be approved by Ministry of Education and Science of Ukraine when meeting following requirements (mon.gov.ua, 2012):

1. The presence of at least six PhD with the respective science in an Editorial Board;
2. Publication have to be recommended for printing by Academic Council of founding institution;
3. The circulation of no less than 100 copies;
4. Full compliance with governmental standards of editorial design publications.
5. The presence of the hard copies in major Ukrainian libraries including Vernadsky National Library.

First step of selecting necessary journals was to exclude from the final list all titles that don't meet requirements of the study and not approved by all controlling institutions engaged. All academic journals and publications must be approved and endorsed by Higher Attestation Commission of Ukraine (vak.org.ua). 184 academic journals were considered obsolete and those that no longer have legal power. Since Vernadsky National Library equipped only with approved publications this preparation stage was done automatically, however, all publications have been

compared with Higher Attestation Commission list to exclude a possibility of mistake.

Thus, library's catalogue contained 122 titles of economic journals from all over the country. All of them are completely relevant and have a weight in scientific world: articles are recognized by other scholars and institutions. Titles and topics presented in the catalogue covered all economics sciences but in the final sample only those that deal with Beyond Budgeting topics were included. For example, journals dedicated to the broad range of topics like "Problems of economics" or highly specialized like "Strategic Priorities" or "Issues in accounting theory and methods" have been selected as those meeting the requirements of this Thesis' problem statement and, thus, conditions of empirical data collection.

After the titles and abstracts reviewing the list has been reduced by excluding off top editions that had nothing in common with Beyond Budgeting issues and topics. There were too much periodical bulletins published by Ukrainian highest educational institutions. It had no additional title and was dedicated to the whole range of economics' problems. Based on the fact that the time allotted for the study was limited the decision of further list reducing was taken. Thus only bulletins of the highest ranked Universities were put in the final list. Universities were selected according to the top-10 ranked highest educational institutions of Ukraine established by Ministry of Education and Science of Ukraine. And those universities' bulletins that are dedicated to the issues somehow connected with Beyond Budgeting were also put in the list.

Finally 22 academic outlets have been selected for further literature review and data collection. The results of the review are presented in the Empirical Chapter.

3.3.2.2. Professional magazines

Since business press is considered by researchers as one of the most successful channels of management innovations diffusion (Mazza and Alvarez, 2000; Ruling, 2005; Nijholt et al, 2014) and a main source of its legitimization (Mazza and Alvarez, 2000; Abrahamson and Fairchild, 1999), I will pay special attention to the methodology of its selection and review.

Research based on print media indicators have been widely used in management fashion and diffusion of innovation studies when researchers aimed to examine an evolution of particular management innovation (Abrahamson and Fairchild, 1999; Carson et. al., 2000; Benders and van Veen, 2001; Spell, 1999; 2001; Frenkel, 2005; Giroux, 2006). I will employ this approach in order to understand the patterns of Beyond Budgeting publications in time span and the role of mass media in idea translation process.

The only journal strictly dedicated to management accounting and control issues in Ukraine is «&Finansist». This is similar to what Ax and Bjørnenak (2005) described in their study of BSC bundling and diffusion in Sweden. They found only one professional magazine related to above mentioned topic - “Ekonomi & Styrning” (Management & Control). Most of the “&Finansist” articles are written by both supply and demand side actors in diffusion and translation process, i.e. by practitioners and lecturers in business schools.

At the same time a pool of similar magazines that relate to Beyond Budgeting and management innovations issues in general has been selected. This process also took place in Vernadsky national library since all types of business media were available in reading hall from the first issues till the current one as well as a systematic catalogue was submitted. So the full set of selected magazines looks as follows: &Финансист (&Finansist), HR Magazine Ukraine, &Стратегии (&Strategy), Управление Персоналом Украина (HR Management Ukraine), Управление Компанией (Management of the company), Companion, Финансовый Директор Украина (CEO Ukraine). Next, journals will be presented according to their main characteristics and their own positioning taken from their web-sites or editorial column.

“&Finansist” (&Финансист) – according to editorial presentation this magazine is the only Ukrainian specialized printed journal dedicated to management control and finances. Every issue reveals all aspects of financial and corporate management approaches to staff issues in the financial departments’ addressing. The authors are - CFOs and senior managers of Ukrainian and foreign companies, experts and consultants who talk about their experiences in addressing the most pressing problems. Established in 2007. Circulation – 11 000; frequency – 12 times per year.

“&Strategy” (&Стратегии) – this magazine is owned by the same media as «&Finansist» belongs to. «&Strategy» deals with more strategic management oriented topics but at the same time pay attention to management control issues, management accounting, HR management and finances. Established in 2002. Circulation – 10 000; frequency – 12 times per year.

“HR Magazine Ukraine” - identifies itself as the leading journal in the HR Management field, providing a content written by practitioners and HR experts and presenting the latest findings in global HR management practice. Circulation – 15 000; frequency – 10 times per year.

“Management of the company” (Управление Компанией) - monthly journal for top managers, aimed to discuss management strategies and concepts that can be effectively used Ukrainian managers in Ukrainian companies. Also covers: personnel management, finance, marketing, technology and technology decision-making. Frequency – 12 times per year. Circulation – 15 000. Established in 2005.

“Companion” – names itself on its website as the first business journal in Ukraine with more than 18-years old history. Identified itself as the main expert among Ukrainian business media, referring to the longest publication practice in Ukraine. Circulation – 10 000; frequency – 12 times per year.

“HR Director” (Директор по Персоналу) - a modern practical edition, specially designed for HR directors. Circulation – 10 000; frequency – 10 times per year. Every issue contains following topics:

- Effective management solutions and ideas discussion;
- Advanced methods of motivation, evaluation and training of personnel;
- Tips: how to apply the theoretical basis in practice;
- Experience in HR-directors of foreign and domestic companies;
- Advice on career and personal effectiveness;
- Recommendations for the development and protection of HR-budget.

“CEO Ukraine” (Финансовый Директор Украина) – was established in 2001 and dedicated to HR, management control and management accounting issues. Frequency – 6 times per year. Circulation – 10 000.

“**The Contracts**” (**Контракты**) – financial-oriented journal with circulation over 50 000 copies per month. The journal was closed in March 2014 due to the print-media crisis. Journal has been published weekly since 1992 so due to the time limitations I couldn’t check all the issues so I have checked it through its website database and special issues, that have been published once in a half year and was dedicated to new management innovations and trends.

Name of the journal	Year of establishment	Circulation per month	Frequency per year
“&Finansist”	2007	11 000	12
“&Strategy”	2002	10 000	12
“HR Magazine Ukraine”	2005	15 000	10
“Management of the company”	2005	15 000	12
“Companion”	1997	10 000	12
“HR Director”	2007	10 000	10
“CEO Ukraine”	2001	10 000	6
“The Contracts”	1992-2014	50 000	2

Table 3.2. Professional journals scrutinized during a literature review.

Thus, methodology of desired magazines selection and review took place in the same way it was done with academic outlets. I used the broad range of keywords when looking through the tables of content, paying attention to any words or words combination from Beyond Budgeting vocabulary. Among others I was looking for such keywords like no budgets, budgets abandonment, decentralization, flexible management systems, dynamic resource allocation, relative success based performance, relative goals, relative improvement contracts, empowerment, rolling forecasts (even though rolling forecasts, BSC and other management accounting tools in Beyond Budgeting concept are popular enough in Ukraine and used in top-down MCS thus it is extremely difficult to find out Beyond Budgeting evidence among the great number of cases).

As I noticed later, during the process of review, Ukrainian print-media had no trouble in delivering Beyond Budgeting topics to readers through tables of content, usually putting forward right keywords in the titles. Most of the articles hold clear titles like «Managing without budgets: Beyond Budgeting concept», «Changing priorities: Beyond Budgeting», «Revolution in budgeting traditions: Beyond Budgeting» and so on. Few academic and business articles were found during my review of internet sources so I redirected them in academic and professional literature reviews sections respectively.

3.4. Interviews

It is worth to mention that qualitative approach wasn't a cornerstone of my research design: it could have been used only if literature review would have given a necessary background. Theoretically literature review could have provided no candidates for interview in case of no Beyond Budgeting information at all. But since a data was gathered and a lot of practitioners who shared their opinion about Beyond Budgeting were found this part of research got a green light.

Patton (1990) distinguishes three types of qualitative data conduction; 1) in-depth, open-ended interviews; 2) direct observations; 3) review and analysis of written documents. Since the direct observation is very complicated for students and probably is not suitable for this particular study, I have chosen interview method.

Interviews allow researchers to understand and analyze experiences and reconstruct events they didn't take part in (Rubin & Rubin, 2005). It serves as a tool for gathering different interpretations, which, in turn, allows describing current social processes and trends rather than deriving particular facts or laws from respondents (Warren, 2002; Rubin & Rubin, 2012). Interview methodology offers three different types of structure level depending on aims of research – highly structured for market research, semi-structured for guided open interview and unstructured for ethnography respectively (Easterby-Smith et al., 2012). During semi-structured interview researcher has a set of questions prepared in questionnaire as well as new questions can emerge during the conversation. I used semi-structured, in-depth interview since it fits to my research purposes and allows covering the topic in sufficient volume. Questions were prepared beforehand as I needed to be sure that I

have covered all important topics and issues and at the same time a space for more open conversation was present.

Beyond Budgeting hasn't been disseminated in those quantities that would have allowed exploring its movement in space and time with quantitative methods like it is possible to do in BSC cases (Braam and Borghans, 2009) so interviews remain the main tool for data conducting. In order to obtain more information about the most recent trends and discourses in Beyond Budgeting attitude among Ukrainian managers I have conducted four interviews with practitioners. The main condition to be met when choosing the informants was their awareness about Beyond Budgeting issues. So it had to be the people who 1) had a theoretical background (for example author of the article in academic outlet who has provided a description of Beyond Budgeting but didn't share his or her opinion about the concept prospects in Ukraine); 2) expressed their opinion on this subject in that sources I have found during the literature review.

#	Interviewees position	Duration
Respondent 1	CEO	The questions were answered by respondent via e-mail
Respondent 2	Business school teacher (Ex-CEO)	50
Respondent 3	Business school teacher (Ex-CFO)	30
Respondent 4	Business school teacher / CEO	30

In total 4 persons responded out of 10 taken into account in the beginning: 1 CEOs from Ukrainian organization and 3 teachers from business schools with a reach experience in business. All interviews except one (Respondent 1 answered prepared questions via e-mail) were conducted via Skype and recorded on digital voice recorder. The language of conversation was Ukrainian and Russian since both these languages are mother language for me and respondents. Then the whole set of data was translated into English, transcribed and sent back to informants for their comments and suggestions. All respondents who took part in interviews were interested in topic and enjoyed the discussion so a big amount of information was gained and transcribed later on. However, all participants are busy people so they could not afford themselves to spend too much time for discussing, so all the interviews lasted from 30 to 40-45 minutes. Practice has shown that this was enough; I asked all questions and received detailed and valuable answers. Respondents were aware of the topic very well and, in particular, teachers of business schools have repeatedly stressed that Beyond Budgeting is one of the most frequently-discussed western fashions in management and financial disciplines, so even minimal acquaintance with the subject for the respondents wasn't needed.

3.5. Methodological evaluation of the study

3.5.1. Reliability and Validity

Kirk and Miller (1986) emphasize that thesis must be valid and reliable in order to ensure a scientific proof of the research. Validity and reliability are the cornerstones of any scientific activity and research since they allow generalizing findings and proving its repeatability.

Reliability means that any other researcher can repeat an experiment and get the similar findings and conclusions one more time again (Easterby-Smith, 2012). Moreover, transparency of the data gathered and methods employed during the analysis must be present as well. This research is in line with the explanations provided in this chapter and analytical part is based on the methodological structure declared in the previous subsections. The results of this study can be repeated by other researchers with the same methods and theoretical frameworks used and their findings will be similar with the ones got here.

Saunders states that «*validity is concerned with whether the findings are really about what they appear to be about*» (Saunders et al., 2007: 150) and thus whether a researcher's measurement instruments really measure what he aims to. In these terms data were gathered from reliable and credible sources as it was described in previous subsections. External validity concerns the possibility of experiment repeat with different group of respondents. Addressing this issue it can be said that respondents were chosen regarding their awareness about Beyond Budgeting existence and practical implications as well as all interviewees have published an articles where they have expressed their opinion about Beyond Budgeting prospects and applicability in Ukraine. In the same manner, journals for literature review were chosen with all necessary conditions and requirements met. Thus, validity of data gathered confirmed by the methods chosen for it selection.

3.6. Limitations

Even though the main aim of the study is to explore the whole space of Beyond Budgeting relating topics, including scholar and business media environment as well as internet sources by using a wide range of keywords – it can't be claimed for sure that all existing publications about Beyond Budgeting had been captured.

3.7. Summary

The research conducted for this thesis contains both primary and secondary data. In order to explore and gather all available information about Beyond Budgeting in Ukraine a comprehensive literature review supported by interviews was conducted. Research methods employed in this thesis are described in this chapter as well as a sources of information are presented and described.

4. Empirical Chapter

In order to answer the main research questions raised in this work the sources of information on Beyond Budgeting will be examined and the results of literature review and interviews will be presented and systematized. In this chapter the whole set of data gathered will be divided into three groups: academic magazines, professional magazines, internet sources and interviews results. As it will be shown later in this chapter business magazines and interviews contained the vast majority of data, less relevant information has been provided by academia and relatively little amount of Beyond Budgeting topic was discovered through internet resources.

4.1. Literature review results

It was mentioned in the methodological chapter that the list of selected printed literature was obtained. This list is represented in Appendix, containing both Ukrainian and English versions of journals reviewed as well as a brief content description.

4.1.1. Description and systematization of the academic journal's content

According to the data collection methodology, literature review of printed scholarly journals was a first stage of data collection. After this part finished ten articles had been found. Title of an article, author, year of the publication and brief description of the main idea and findings of articles are summarized in the table below. I will present the results of scholarly publication outlets from the perspectives of writers' attitude towards Beyond Budgeting concept, appearance time patterns and Beyond Budgeting principles emphasized or skipped in the articles.

4.1.1.1. Beyond Budgeting presence in academic publications per years

The first set of results shows the total number of Beyond Budgeting publications in Ukrainian academic literature from the time span perspective; thus, it is possible to see the concept popularity over time. Graphical interpretation is presented below in the Figure 4.2.

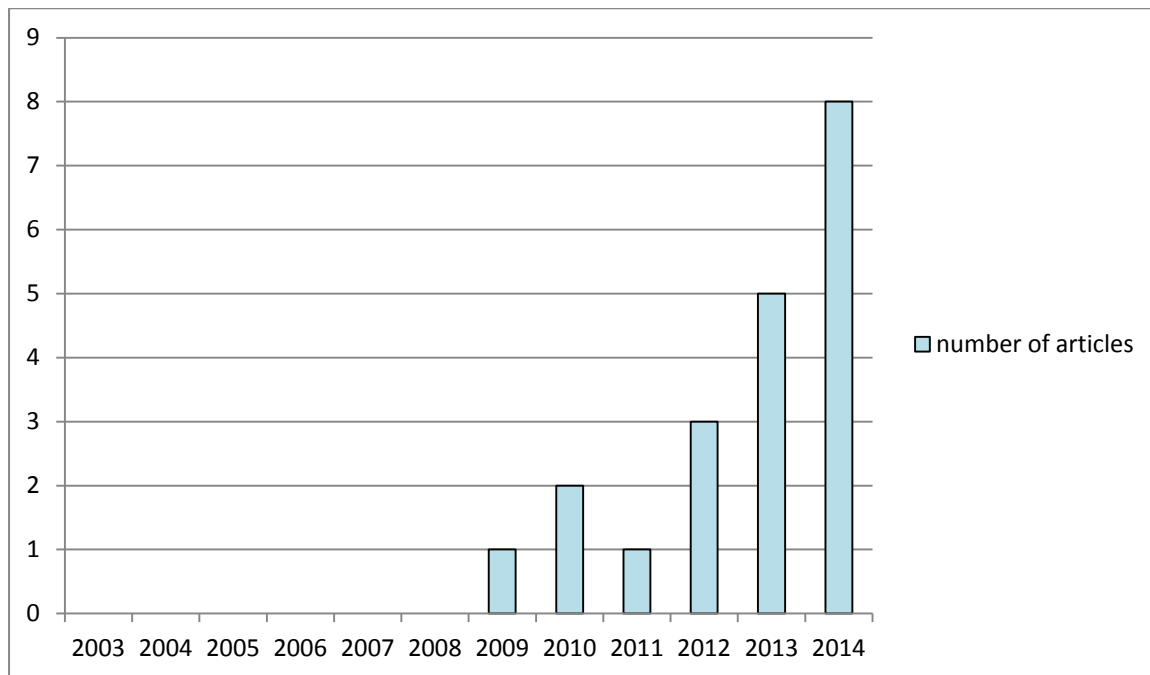


Figure 4.1. Total number of Ukrainian scholar articles.

Figure 4.1. shows a sustainable growth of the number of Beyond Budgeting articles among Ukrainian academic literature. Since technically 1999 was taken as the starting point in this research, there were no publications found earlier then by 2009 so countdown here begins from the year of the first publication emerged and covers six years from 2009 to 2014. While the time span from 2009 to 2011 shows a relatively stable pattern with almost no publications (1 in 2009, 2 in 2010 and 1 again in 2011), the next three years have brought an increase of indicators, thus demonstrating the rising growth of interest to the concept among researchers. The whole picture reflects a significant time lag between Beyond Budgeting publications in Ukraine and in the rest of the world. In western academic literature this concept became a fashionable topic almost immediately after being presented by Hope and Fraser in the middle 1990’s. The time lags and frequency pattern between Beyond Budgeting articles in scholar and non-scholar literature will be described latter in this chapter.

It is worth to mention that no article where “Beyond Budgeting” name is placed in the title was found except one as well as one article is named “Features of non-budgeting management in the company”. Most of the publications discuss a range of issues and Beyond Budgeting is one of them. 12 of 20 articles contain words “budget” or “budgeting” in the titles and deals with budgeting processes in the country in general or in the firm particularly.

4.1.1.2. Attitude discourses expressed in articles

The next classification dimension aims to show the authors attitude towards Beyond Budgeting expressed in the articles. Opinion expression and evaluation of the concept in terms of its applicability to local peculiarities are very important in this study, so a special attention has been paid to this aspect. All types of attitudes towards Beyond Budgeting in Ukrainian academic outlets are gathered and systematized in Figure 4.2.

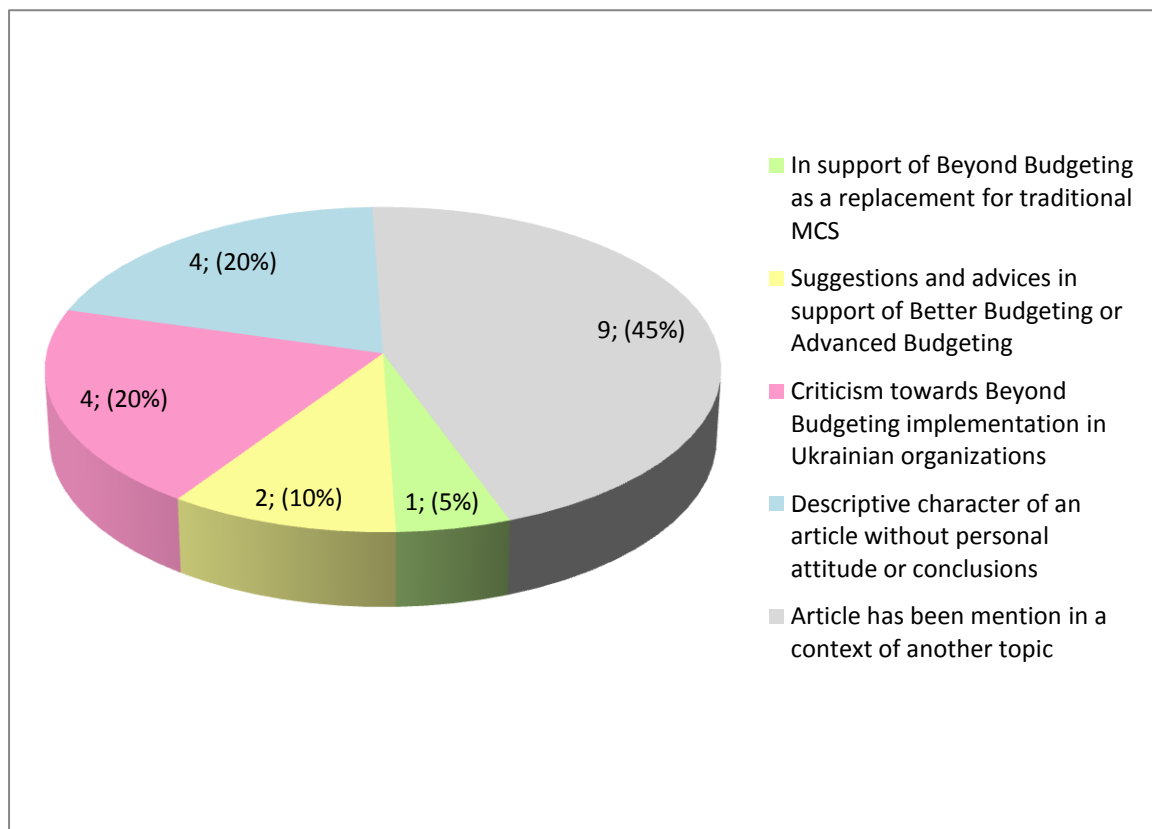


Figure 4.2. Attitudes towards Beyond Budgeting in Ukrainian scholar publications.

The biggest amount of articles has a descriptive character or doesn't discuss Beyond Budgeting specifically. 9 articles discuss a wide range of topics, usually connected with budgeting in Ukrainian organizations, 4 publications briefly mention the concepts among other management control innovations (typically when discussing the features of total budgeting, better budgeting, advanced budgeting) and don't

provide any evaluations, suggestions or conclusions. These articles however can provide managers with required minimum of knowledge about the concept since almost all articles (16 from 20) describe disadvantages of traditional management model and list all benefits Beyond Budgeting can give, drawing directly from Hope and Fraser (2003). In this sense, descriptive (passive) types of publications can be seen as a significant source of idea translation.

Criticism and skepticism towards Beyond Budgeting in Ukrainian scholar publications are expressed in form of doubts rather than as a strong opposition. It is understandable since there are no well-known successful or failed Beyond Budgeting cases in Ukrainian media and authors can't make any conclusions. The only example that is demonstrated both in academic and business publication is a Handelsbanken and if authors in professional magazines analyze this case from the Ukrainian perspective in terms of applicability in local settings taking into account economic, cultural and political circumstances, academic authors are used to provide a description without analysis and conclusions. In total 4 articles provide a skeptic attitude towards the concept vitality in local business environment.

Some researchers combine the skeptical attitude towards Beyond Budgeting with suggestions about possible prospects of the concept, giving advises in favor of Better Budgeting, Advanced Budgeting and emphasizing the need of traditional budgeting system improvement and optimizing:

“Beyond Budgeting can be considered as budgeting process evolution; it takes into account and fixes most of the traditional budgeting model disadvantages and problems. However, the movement towards this concept should be started only if the company has a long and positive experience of traditional budgeting. This is due to the fact that only traditional budgeting fosters an internal financial culture and responsibility.” (Zaytseva, 2013:323).

The similar conclusions are made by another researcher who also doubts whether Ukrainian companies are ready for radical changes:

“Beyond Budgeting is a quite radical and complicated phenomenon for our companies. It requires a participation of all employees on all levels. Not every company is ready and able to implement this system since it is a challengeable and

risky project. There are more safe and simple models that can be used by domestic organizations – Better Budgeting and Advanced Budgeting.”(Protz, 2013:86).

Two articles contain both skeptic views on Beyond Budgeting in local business environment and at the same time deliver brief reflections and assumptions about adequate substitutions for traditional management model and Beyond Budgeting. I didn't count these publications as separate articles and gave the preference to conclusions about better budgeting as an alternative. Thus, for example, I put the article, where the above cited quote taken from, to the “Suggestions and advices in support of Better Budgeting or Advanced Budgeting” column. Thereby, “Criticism towards Beyond Budgeting implementation in Ukrainian organizations” applies only to those publications where the criticism is not supported by proposals for alternative tools or framework instead of Beyond Budgeting.

Finally, only one article fully supports Beyond Budgeting as a model that can be implemented among Ukrainian organizations already now. The object of the study was a bank industry thus one can say that findings and conclusions are applicable only to this particular industry. However it is also an important result giving in account the contrast between skeptics, descriptors and optimists. Author of this articles points out:

“Taking into account dynamic and turbulent environment of domestic bank industry Ukrainian banks should make a shift towards new dynamic and adaptable management models, including Beyond Budgeting. Handelsbanken example should serve as a source of inspiration for our managers” (Panteleeva, 2013:75).

4.1.1.3. Correlation between Beyond Budgeting principles being preferred and skipped in publications.

The last classification of data collection results I am going to provide is a presentation of Beyond Budgeting principles in Ukrainian scientific journals series that received the biggest attention and those that being skipped for some reasons. Some writers seem the adoption of all twelve principles as necessary condition for Beyond Budgeting implementation while others suggest that every particular organization need to choose those principles that fit it best. Anyway, from the theoretical point of view, all twelve principles are important for the accurate and

balanced Beyond Budgeting model functioning. It is worth to mention that no one article listed all twelve principles, focusing mainly on the tools like rolling forecast or balanced scorecards. I will present the total number of mentioned principles that I have found through the texts in order to understand which principles have been highlighted in the academic literature and which ones were omitted. Figure 4.3. shows the citation index of each principle thus providing an evidence of idea *editing* (Sahlin-Andersson, 1996):

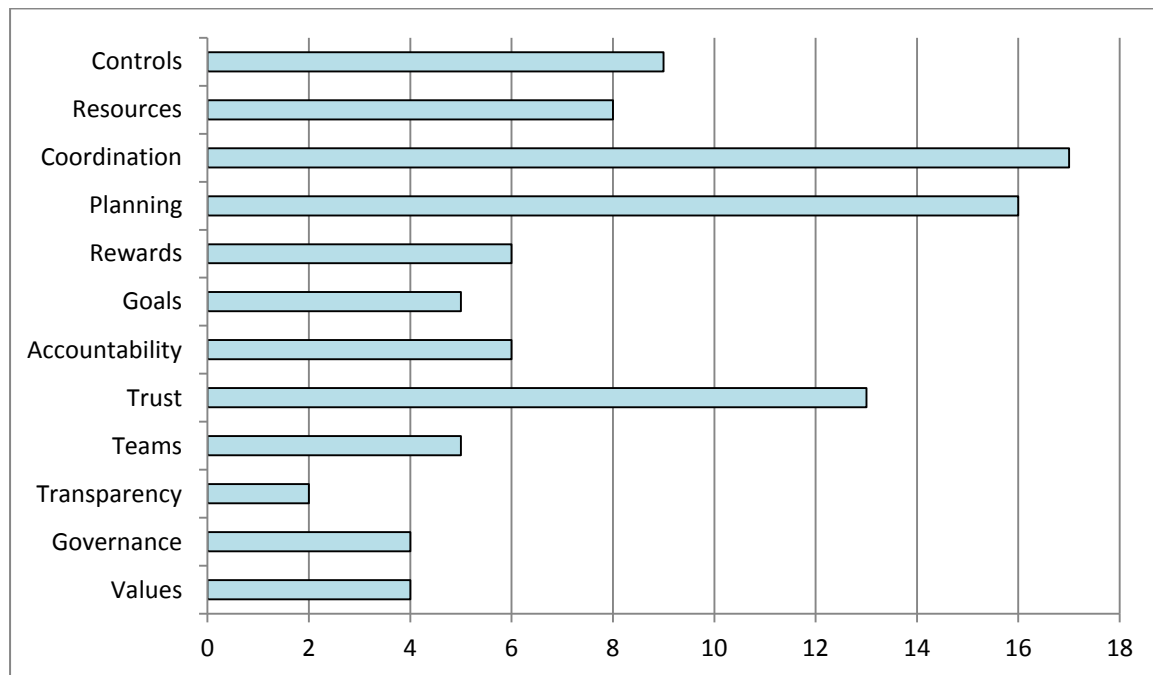


Figure 4.3. The number of Beyond Budgeting principles mentioned in each Ukrainian scholar article.

Data from Figure 4.3. helps to see which principles Ukrainian academics focused on and which ones were mostly skipped. Since most articles describe Beyond Budgeting briefly, there were no presentation of the whole set of principles. This made it possible for authors to choose the most important principles in its sole discretion, thus, shaping readers' perception and attitude towards the concept.

What at once is evident is a lag between an amount of leadership and process principles in each publication. The biggest attention was given to issues of coordination and planning although no article refers to the necessity of budget purposes separation. Nevertheless, almost all articles (17) acknowledge the importance of the shift from annual top-down event process to more continuous and

inclusive process, as well as the vast majority of publications contains information about coordination principle.

Among leadership principles the biggest attention was paid to trust issue (13) while others gave relatively low attention. The main discourse in most of the publication is that authors were focused on particular tools, describing BSC, rolling forecasts, ABC-costing, benchmarking while a description of mind-set changes needed for Beyond Budgeting implementation and, therefore, for changes in leadership style was omitted in many cases (8).

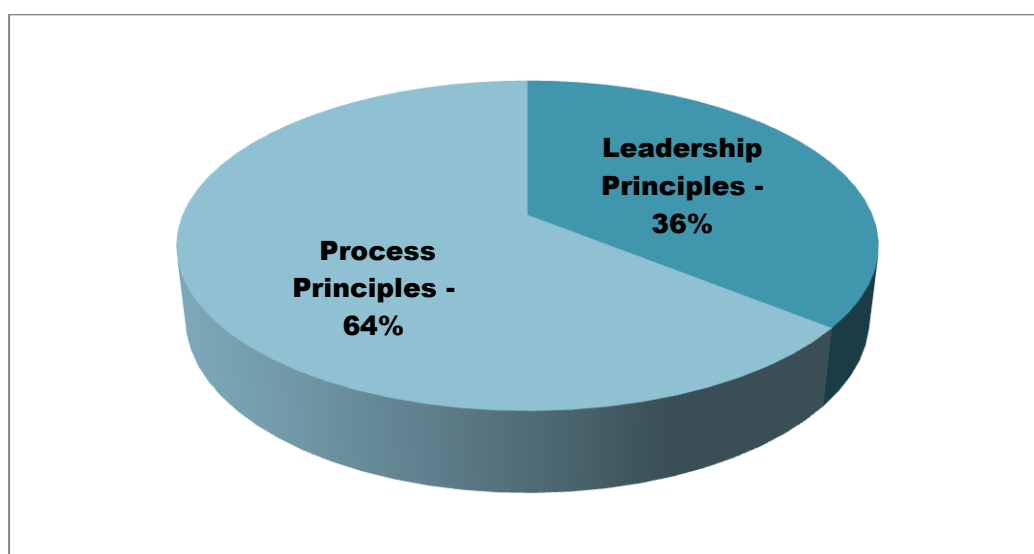


Figure 4.4. Shares of each Beyond Budgeting principles group in Ukrainian scholar articles.

In total, process principles have received much bigger attention which is expressed in overall number of mentioning - 61 (64%) against only 34 (36%) of leadership values (Fig.4.4.). Most of the publications made a little attempt to describe and discuss the human side of the concept and a general shift beyond command and control management style. Transparency has received the lowest amount of mentions (2) alongside with values and governance in almost the same position (both – 4).

4.2.1. Description and systematization of the professional magazines' content

The description character of scientific journal series and the same type of information in professional magazine is not the same thing. A descriptive article in business media makes much bigger influence on diffusion process than academic

outlet. While scholar publications circulate usually only inside academic world and seldom spread outside its communication channels (Mazza and Alvarez, 2000), professional magazines understands that their main aim is to establish contact with content receivers and to do their best in order to ensure data transmission.

These assumptions are supported by data collected from Ukrainian printed professional magazines. Descriptive articles contrasted significantly with those in academic literature in terms of more detailed and multifaceted material presentation. All authors are practitioners, often with experience in academy and consultancy fields. Thus, analytical chapters based on Ukrainian business environment evaluation were provided in most cases.

Like in previous chapter, the data collected will be presented from the different perspectives – number of publications per year, attitude towards the concept among authors and the attention to particular Beyond Budgeting principles in each article.

4.2.2. Beyond Budgeting presence in professional magazines publications per years

Statistics show that in contrast to academic articles, Beyond Budgeting topic has received attention of Professional journals almost immediately after Hope and Fraser's book "How managers can break free from the annual performance trap" was published. First article dedicated to new concept appeared in 2004 and one year later we can we can observe a relative boom, given that almost every Ukrainian professional journal in 2005 and 2006 published an article about Beyond Budgeting. Then, as Fig.4.5. clearly indicate, the concept experienced a decline in interest at the turn of the decade, in the midst of financial crisis. One of my respondents gives a following explanation to this feature:

"Despite the fact that Beyond Budgeting is actually created for unpredictable and dynamic business environment, it was ignored by our managers during the crisis. They decided to handle even more tight control over budget numbers while most of the companies didn't have budgets at all. It is however doesn't mean that they followed Beyond Budgeting philosophy since they simply didn't have budget while all other attributes of obsolete static and inflexible management model. So Beyond Budgeting wasn't a popular topic among a managers during crisis years, they didn't

look for new tools and concepts but only tried to save their companies and keep them on breakeven point.” (Respondent 3).

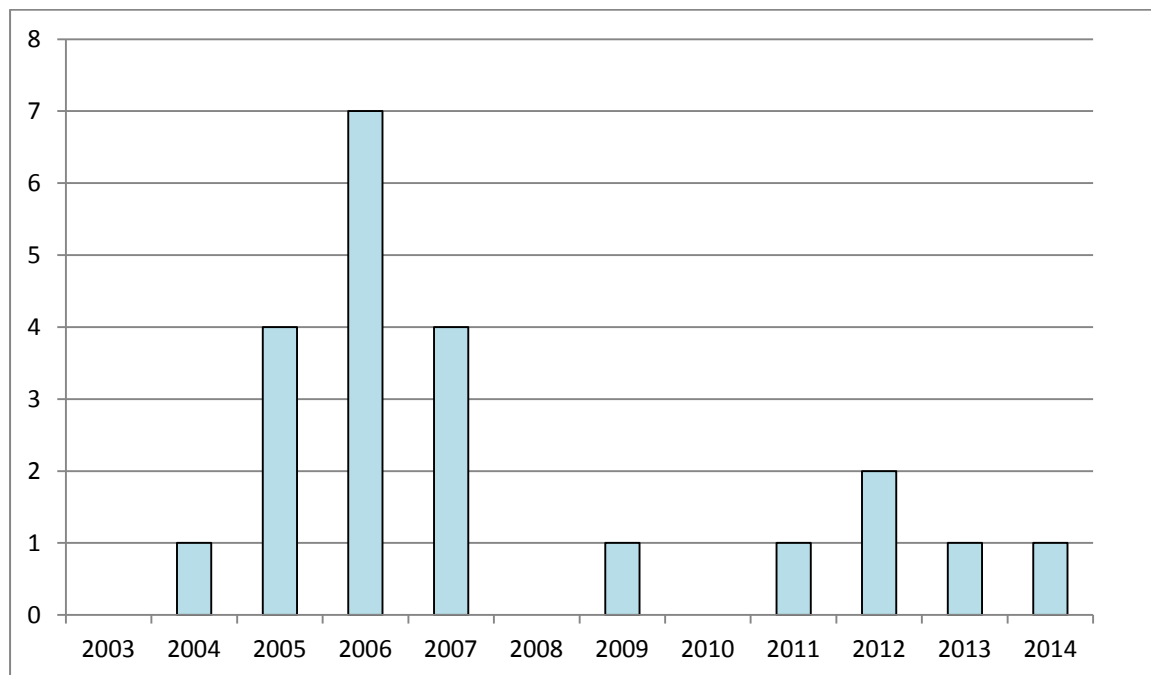


Figure 4.5. Total number of Ukrainian Beyond Budgeting articles in printed professional magazines.

Starting from 2011 the articles began appear again, presenting even broader analysis of traditional budgeting and advanced management control systems. This can be linked to Bogsnes’ (2009) “Implementing Beyond Budgeting” publication as a second wave of interesting to the topic emerged. Some late articles draw from his book, providing readers with some examples from Borealis and Statoil Beyond Budgeting journey as well as Bogsnes’ advices about changing case creation, handling a resistance and mind-set issues. However, the time lag between scholar and professional publications is also found in this Thesis. It is even much wider than in previous studies, where delay between different fashionable management innovations was around 2-3 years and is usually explained by time taken for editorial acceptance (Spell, 1999; 2001). Ukrainian publications usually need less time to be approved and published.

Another notable distinguishing feature between the material presenting in the scholarly and business publications is the title creation. Professional magazines as being customer-oriented, applied directly to their target audience. This is expressed in material presentations. First of all, catchy titles that attract readers where designed

in almost all cases, for example, “Life outside the budgets: how to adapt management model to modern business environment”, “bloom and death of classical budgeting: how budgets make you poorer” or “budgeting: a reasons to hate it.”

Although, keyword “Beyond Budgeting” was used not more often than in scholar titles (4 times in business press against 2 times in academy), it, however, immediately introduced readers with the context, giving a keywords for understanding the issues discussed inside the publication. Behind those mentioned above, the following examples clearly show this customer orientation: “The pitfalls of traditional budgeting”, “Life without a budget: without budget vice”.

What is also important to notice, there are no publications in Ukrainian professional magazines written by scholars. While some researchers point out that theoretical findings make a little or no impact on practice and are seldom taken into account by managers (Malmi and Granlund, 2009), in our case it attempts to influence the business activity is almost reduced to zero. And since practitioners (receivers of management idea) learn about new management practices from professional magazines and from consultants (who in turn are also influenced by what they read in business media) professional literature seems to be vital for management knowledge dissemination. Several studies concluded that is important for academics to publish their works not only in scholar journals but also in business magazines and books since it “*makes academic knowledge more accessible for practice*” (van Helden et al., 2010:92).

4.2.2.1. Attitude discourses expressed in professional journals articles

During the whole time span of the Beyond Budgeting publications written in business media, there has been no common opinion about new management model appropriateness in Ukrainian business and culture environment. Some authors argued that this concept has no chance in local peculiarities while others believed that Ukrainian organizations are ready to abandon traditional obsolete management control system and follow successful examples of western companies. Also, there were almost no neutral positions with regard to the concept prospects in Ukraine (one article only), since authors (almost always it were CEO’s and CFO’ of Ukrainian

companies) discussed the issue from the perspective of their business experience.

Figure 4.6. presents the whole range of opinions expressed in each article:

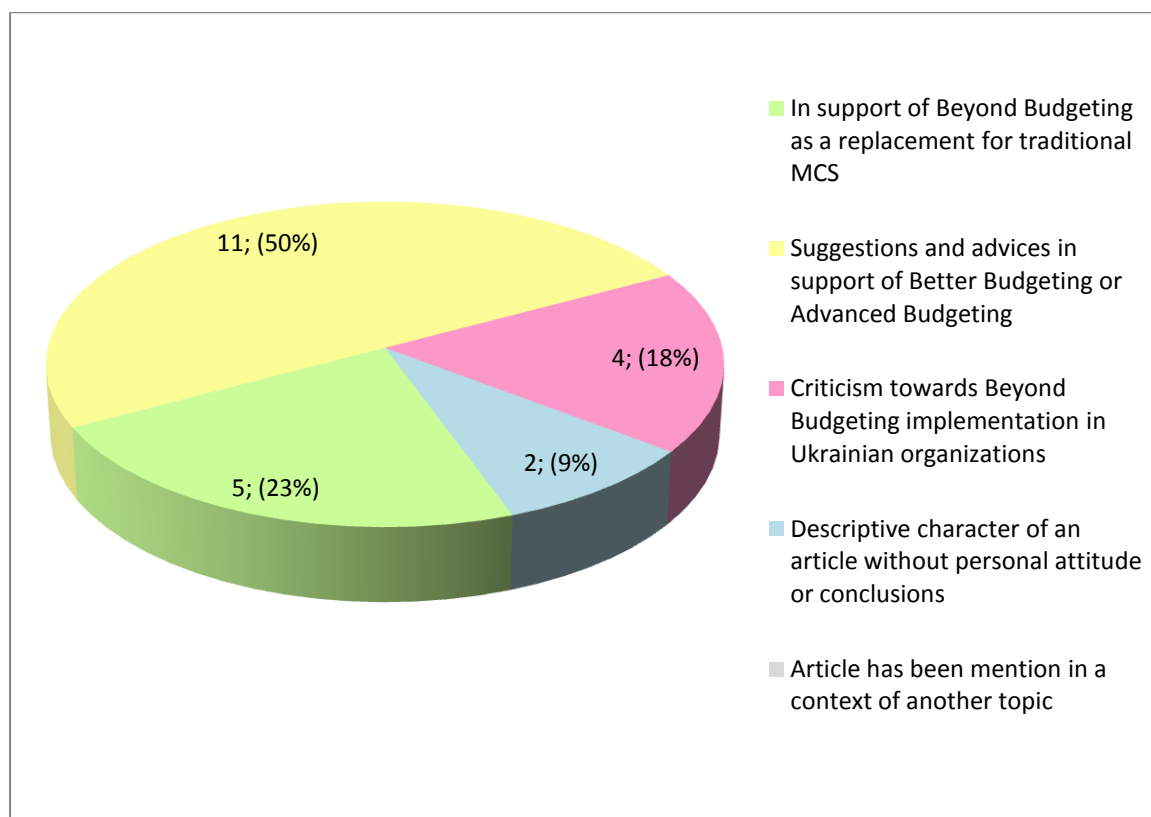


Figure 4.6. Attitudes towards Beyond Budgeting in Ukrainian professional magazines.

Starting with the most restrained assessment of Beyond Budgeting as a fashionable western concept and its prospects in Ukrainian realities we can see that nobody used this term briefly, in a context of other term or issue discussed. Similarly, only two articles had no further directions and assumptions for readers about applicability of the concept. These publications, however, offered much wider description of main Beyond Budgeting provisions as well as a thorough background of all traditional budgeting problems.

Only four articles gave unfavorable outlook on Beyond Budgeting prospects in domestic organizations. It is worth to note, that all four items were written by practitioners (three CEOs and one CFO) who don't believe that new dynamic model can work in Ukrainian enterprises:

“Ukrainian companies lack the necessary level of accounting and budgeting culture. Budget figure and the specific manager responsibility for its implementation are often not synchronized; the ethics of the relationship to the property does not correspond to an efficient market environment.” (&Finansist, 2012).

Above mentioned quote is similar with another one, given in 2005:

“...it is common to hear that Beyond Budgeting is a solution for all problems. I strongly disagree. We need to understand on what stage which particular model is more appropriate and efficient. Business needs Beyond Budgeting model only during a start-up stage as long as it does not enter into a phase of sustained growth.”

In the context of the total number of publications, these views belong to an absolute minority, as the rest of the writers react to this innovation rather positively or, at least, considering it as a very prominent in the future. Most of the articles found contain Better Budgeting-based conclusions. Authors advise to find a so-called "golden middle" between traditional budgeting model and Beyond Budgeting since both these approaches are too radical even for volatile and competitive environment and after all, the correct management model depends on the industry and environment. As one of the writers claims: *“revolutionary thesis that budgeting - is “an unnecessary evil”, which you can and should get rid of, has nothing to do with the structure of the company, the industry and the national-geographical origin.”* (Companion, 2007).

“You need to decide for yourself which factors are the most value-added for your business. And if you find that it is detailed formulation process, total budgeting and instruction-following employee’s performance are the factors that you may use in your environment, than Beyond Budgeting is not necessary for you. But if your value drivers are actually innovativeness, quick response to customer requests, the rate of innovation that exceeds rate of average market development, in such a case it may Beyond Budgeting is exactly what you need? Finally, you shouldn’t run to extremes, and just find a reasonable balance between approaches that offers Total Budgeting and Beyond Budgeting. Find your individual point somewhere in between.” - (&Finansist, 2007).

Technically, this means that the pervasive detailed budgets are not kept, but there is tight enough KPI monitoring and parts of these indicators are not in the budget

sphere. Authors also point out that in western companies don't implement Beyond Budgeting concept in all details, but rather follow its people-oriented philosophy and guidelines in dynamic business environment.

And finally, five articles fully support and welcome Beyond Budgeting in Ukraine. These articles are both old and new, covering the whole 2005-2014 time span, appearing, for example, in 2005, in 2008 or in 2013. Authors ensured that Beyond Budgeting is a logical step for Ukrainian organizations referring to successful western cases and suggesting that budgets are no longer relevant for foreign companies so Ukraine is also not an exception.

“At a time when the majority of Ukrainian companies still prepare and follow the budgets, and most of those who do make it to an accuracy of less than 50%, it seems seditious to say that budgeting is a passed stage. But this might be a chance for Ukrainian companies allowing them not to repeat a deadlock way passed by western corporations, and to shortcut a way towards more modern and flexible management model.” – (Companion, 2005).

These writers also describe briefly the nature of change itself and call Ukrainian managers for their companies' transformation in line with Beyond Budgeting philosophy. They believe that innovativeness inertia is a key problem that we must overcome. Only when reversing the situation radically, we will be able to generate the pace of innovation that can provide the necessary competitive edge. Authors explain it as a natural human cognitive processes restructure. *“We need to change our mindset. It is difficult, but we have no choice.”* – (HR Magazine Ukraine, 2007).

The recent publications blame Ukrainian managers at not using advanced management models during the financial crisis as it could have helped to avoid many bankruptcy cases.

4.2.1.3. Correlation between Beyond Budgeting principles being preferred and skipped in publications.

The main difference between professional and scientific journal series publications is a focus on the leadership subset of principles, while scholars described mostly a place of BSC and rolling forecasts in Beyond Budgeting context. Therefore, a

significant amount of articles (14) emphasize the risk of lag between empowerment and lack of responsibility, again repeating about the mind-set issues in Beyond Budgeting. Fear of losing control as a consequence of decentralization is raised and discussed in 7 articles and 6 of them acknowledge it as a serious barrier in Ukrainian organizations, talking about employees being not ready to take a responsibility, while 2 articles conclude it as an insurmountable barrier. The doubt about Ukrainian people readiness for mindset changes was expressed mostly in all texts in different years, but only few writers don't believe it's impossible.

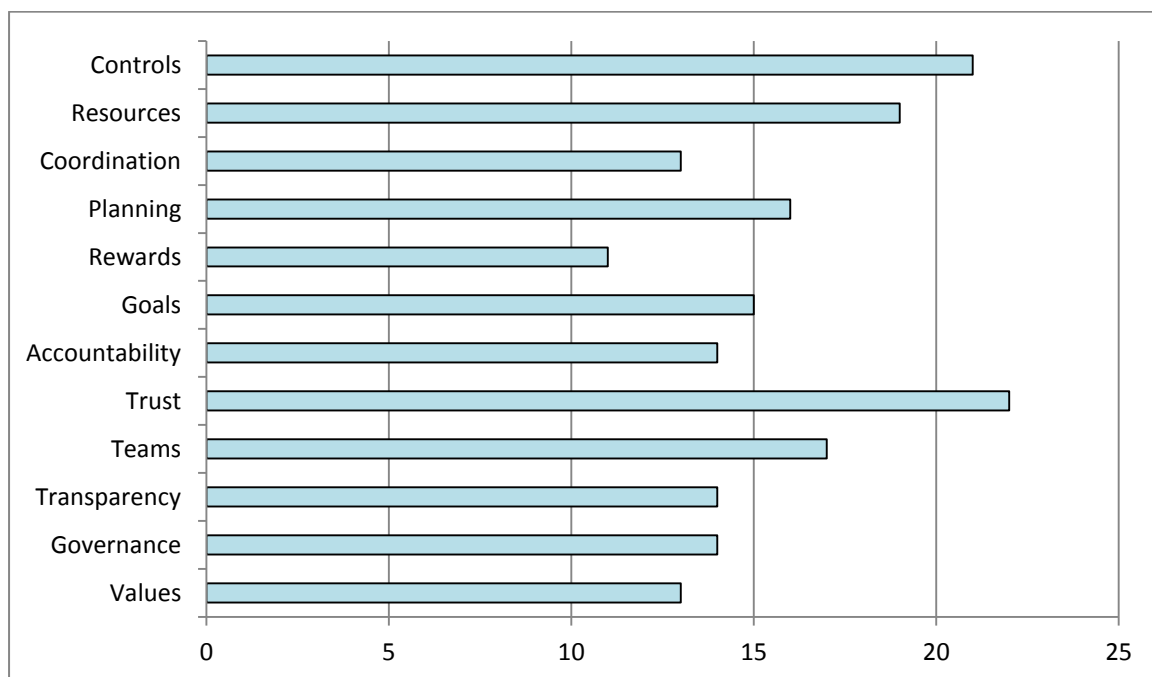


Figure 4.3. The number of Beyond Budgeting principles mentioned in each Ukrainian professional magazine article.

But, as it is shown in the Fig.4.3. professional journals authors kept the balance between uniform present of both leadership and process principles. The exception was only a reward system issue: it didn't get enough discussion and in many cases (11) was absent.

Handelsbanken case is usually referred as a starting point for Beyond Budgeting discussion. Like in scholar texts, practitioners also use a "success story" to attract readers but do it in more expressive and narrative way. They also bring a more detailed "technical side" of the story, anticipating questions about how this system works and what barriers would be faced on the way toward decentralized system. It

is acknowledged in business texts that Beyond Budgeting is not about rolling forecasts and balanced scorecards but about people relationships built on trust which in turn is expressed in flat and decentralized structure. The notion of decentralization discussed in all details in many articles (9), and the quote below exemplifies how one of the writers introduce their audience with advantages of decentralized organization in Ukrainian context:

“With Beyond Budgeting even medium term strategic planning (about 5 years) is delegated to operational level units – front line managers. Of course, these operational teams are supported with all resources needed. Ukraine is not yet characterized by a high capital concentration and there are still a vast majority of small firms managed solely by its founder. It would seem that the centralization of management in such companies cannot raise suggestions about alternative models. But sooner or later every company will meet the momentum of time when it decentralization is an only way forward. It is inevitable and it’s only a matter of time” - (&Strategy, 2005).

He then goes on to describe the importance of decentralization:

“However, management is increasingly aware that a single brilliant strategist, living on top of the management pyramid in soft leather chairs and spacious rooms, is detached from the context of value creation. He can only formulate a strategic idea by chance, due to the brilliant insights. Ideas can be only formulated on the top, but to form a value-created idea or decision only possible on the bottom line, on the operational levels. Formulation – is an analysis of already existing things. Formation in turn means the generation of ideas, the synthesis of innovation for future action, available only to those who deal with such actions day to day and know their nuances and challenges.” - (&Strategy, 2005).

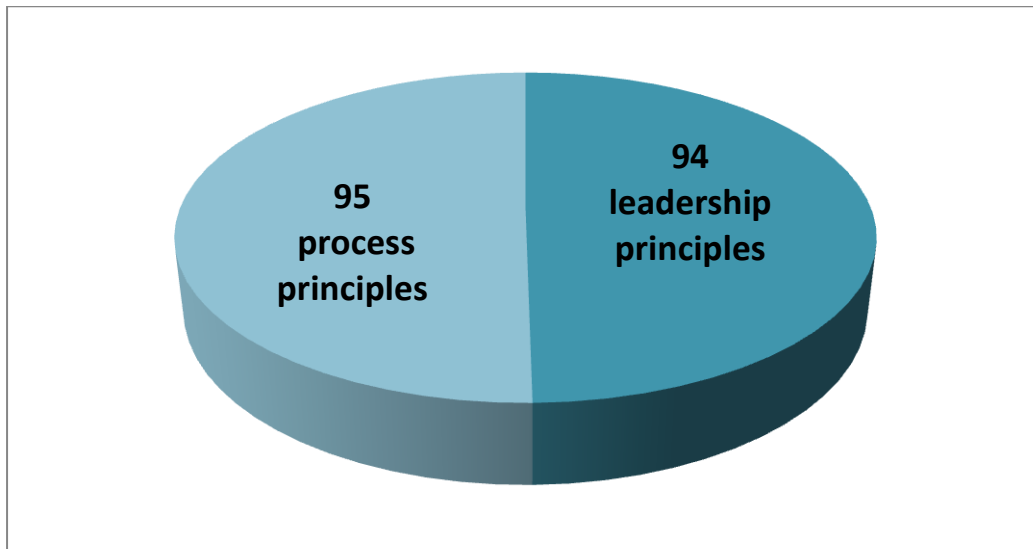


Figure 4.4. Shares of each Beyond Budgeting principles group in Ukrainian professional magazine articles.

In general, Beyond Budgeting principles have been almost uniformly illuminated in Ukrainian professional media - 95 times of mentioning for process principles against 94 for leadership.

What was missed by the vast majority of writers is a target, forecast and resource allocation separation issues – one the central Beyond Budgeting ideas. These statements were seldom raised and often stayed behind the twelve principles explanations. This gap is somewhat mitigated by the literature authors recommend for further reading – main Beyond Budgeting texts, including Hope and Fraser (2003b) and Bogsnes (2009).

4.2.3. Special Beyond Budgeting issue in the main Ukrainian management control magazine.

I want to put an emphasis on particular moments in business press again due to its exceptional circulation and translation ability since it “*provides more than the transmission of ideas conceived elsewhere*”, “*serves as the principal arena for the production and legitimization of management concepts*” and “*ensure the popularization of ideas created in academia as well as functions as an autonomous channel of knowledge production and dissemination*” (Rüling, 2005:179-180). According to many researchers it makes business press an actor in translation and editing process through shaping collective beliefs about popularity and legitimacy of

particular management concepts (Abrahamson, 1996; Spell, 1999; Mazza and Alvarez, 2000; Buhr and Grafström, 2004; Ruling, 2005). Thus, even a single publication can shift reader's attitude and perception of particular management innovation, especially if it is written by one of the leading management editions.

The most detailed discussion of Beyond Budgeting in Ukrainian context was delivered by the only Ukrainian magazine that covers management control and management accounting issues (as it claims itself in magazine description). This was also the only special issue devoted to Beyond Budgeting among all examined journals.

The article is called "Life without budgets. Without budget vice" and it was published in the summer of 2012. A little more than fine print under the title says: "Beyond Budgeting or how the company did applied non-budgeting model". The one can immediately think about a successful Ukrainian Beyond Budgeting case that is going to be described in all details in this issue. However, as it became evident during the article reading, the title meant Handelsbanken experience as typical example for Ukrainian publications, both academic and business. Anyway, authors really put described the notion of Beyond Budgeting in all details and put it in a context of national business and cultural environment, comparing western management control traditions with those in Ukraine.

The article is organized as follows. It starts from the concept description at the same time explaining what's wrong with traditional budgeting system. Authors name a list of disadvantages and then go to Beyond Budgeting principles description. Then practitioners tell about their opinions and attitudes towards "the new western model". At this point, views are divided. One of them (CFO from Russian company) claims that there is no place for budget-oriented organizations in modern world:

"Budget - is a tool for companies with low staff motivation and thus efficiency. Although it is preparing for being used for some period of time, it is still just a photo of business visions at a particular moment. It describes both its strength and weakness. The strength is that the budget suppresses the obvious inefficiency, weakness - it destroys all initiatives and motivations for further efficiency improvement." (&Fianansist, 2012).

Then he tells about his company readiness for Beyond Budgeting journey and gives some abstracts about the benefits of the budget:

“We are now discussing the abandonment of the classical budgeting and preparing the transition towards non-budgeting management. Nevertheless, the classic budget is an evolutionary step in organization development, which, as our experience shows, cannot be avoided as it is impossible to start adult life, passing adolescence. Most companies really need centralized control of once agreed and approved targets. – But at the same time it is important to do it with the maximum benefit for the business”.

These implementation plans didn't however come true. In 2014 this company went through a merger with its competitor and budgeting model still works there.

Other assumptions are made by business school teacher, ex-CFO:

“Beyond Budgeting model is known for a long time and, despite a surge in popularity and attention given five or seven years ago, we cannot say that it has spread and gained popularity in our country.”

He then discusses advantages and disadvantages of traditional budgeting, concluding in a following manner:

“This approach requires a very high degree of confidence and self-control among the managers and professionals at all levels, because in response to any changes in the environment they need to respond by fast purposes correction. In my opinion, in Ukrainian business culture, with its corrupt way of doing business we are not ready for such a progressive models. Ukrainian companies lack the necessary level of accounting and budgeting culture. Budget figures and the specific manager responsibility for its implementation are often not synchronized; the ethics of the relationship to the property does not correspond to an efficient market environment.”

The article thus offers a wide range of conclusions and advises for managers but the most frequent statement was about its inapplicability in Ukrainian realities, at least not in the nearest future. And that's why I put this publication in “Criticism towards Beyond Budgeting implementation in Ukrainian organizations” section. The final conclusion in this special issue claims:

“In our opinion, the simple, clear and transparent, measurable objectives with tight cost control and focus on the objective of the budget as an indicator that has to be reached, will give better results than the decentralized adaptive model. And not because the last one is worse, but due to the fact that in terms of values perceptions, attitudes towards entrepreneurship, openness, self-motivation and self-control, our society is still not ready for them.” (&Finansist, 2012).

4.2.4. Description and systematization of websites’ content

Data from internet showed that the main resources from which Ukrainian practitioners learned about Beyond Budgeting are numerous conferences held in Kiev which are partially or fully devoted to Beyond Budgeting. Among the speakers invited has been also Bjarte Bogsnes who is named by the respondents as one of the most powerful source of Beyond Budgeting information in Ukraine since his participation in local conferences usually are widely advertised.

A full list of conferences that I found in Ukraine is presented in Appendix. The following are a several examples of conferences and topics that have been highlighted and discussed (headings and items mentioned in the invitations to the conferences):

- Kiev International Conference – 2006. "The practice of controlling". Among the topics announced: Beyond Budgeting: international practice;
- Kiev Business conference - 2013. Among the topics announced: “Bjarte Bogsnes: Beyond Budgeting”;
- “Corporate planning and budgeting” - 2014. Among the topics announced: Beyond budgeting: Practical Application in Ukrainian companies.

4.2.5. Business conferences as ideas disseminators.

Like with academic and professional magazines publications years I will present a time span of Beyond Budgeting related conferences activity in Ukraine. This subset of data deserves special attention since it serves as a kind of crossroads of academic and professional field (Madsen and Slåtten, 2013). The program of each conference

held a comprehensive educational part with an ability of both vertical and horizontal interaction between different change agents (Bathelt and Henn, 2014).

“As temporary clusters, business conferences, like trade fairs, provide opportunities for horizontal and vertical interactions and observations between members of the respective organizational fields. In conversations and discussions at conferences, representatives of firms belonging to different or similar parts of value chains have the opportunity to exchange knowledge about trends, experiences and requirements for future products, services and innovations with suppliers and customers.” (Bathelt and Henn, 2015:106).

In addition, conferences have a power to shape an attitude towards particular concepts as well as to disseminate an ideas and practices through organizational fields. Ideas, therefore, are getting reinterpreted in various ways by both demand and supply sides of a translation process. Conferences influence on dissemination process is often compared with professional magazines power to pick up fashion, circulate ideas and legitimize practices turning them into institutions (Mazza and Alvarez, 2000; Ax and Bjørnenak, 2005; Madsen and Slåtten, 2013).

Bathelt and Henn (2015) suggest that *“...business conferences can therefore be understood as platforms ‘for sharing mental models, coordinating activities and interacting to produce relationships’ amongst the participants and, thus, for enabling processes of collective sense-making.* (Bathelt and Henn, 2015:112).

Industry representatives from a wide range of organizations that operate in different countries and cultural environments bring their own views on particular ideas or practices in its particular context, thus extending or reshaping the business knowledge and trends in their fields (Maskell et al., 2006; Bathelt and Schuldt, 2008; Rinallo and Golfetto, 2011; Madsen and Slåtten, 2013).

As one of the evidences of conferences dissemination power I will present an organizers concluding remark, expressed in the brief review of the conference main events published on the conference official web page:

“An increased interest was expressed towards Beyond Budgeting concept when Mr. Egger said that "Henkel KGaA" had applied a new non-budgeting approach instead of the traditional budgeting. The audience was not prepared to understand that the reason for non-traditional budgeting (which, in Ukraine, is considered by the most of

the enterprises as a progressive tool that can be implemented only someday in the future) is great amount of time it takes.” – 2007.

4.2.5.1. Time span of the Beyond Budgeting conferences in Ukraine

Years of conference activity are in some way similar with the trends in the concept covering in professional magazines. Both trajectories have two ways of peak popularity; the first one occurred in the middle 2000’s while the second wave came in the beginning of 2010. It is possible to connect these patterns with two main Beyond Budgeting texts which were published in 2003 and 2009 respectively.

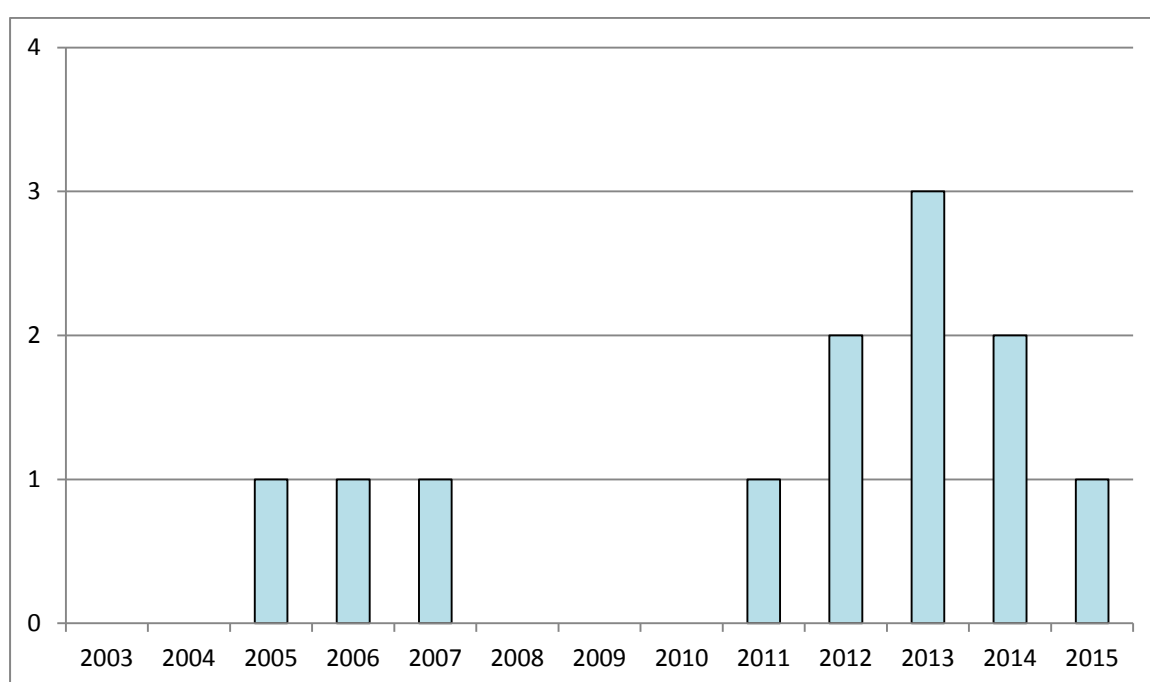


Figure. 4.5. Total number of Beyond Budgeting-related conferences in Ukraine per year.

4.6. Other peculiarities of internet data search

During the web-search I have also found a several articles in academic and professional journals, that weren’t in the main pool (academic outlets where articles found are not in Vernadsky Library list and professional magazines were daily or weekly so I couldn’t search them due to time lack). So I added them into the full list of Beyond Budgeting articles found in Ukrainian literature.

Outcomes of internet sources review I have conducted can be divided into three categories: 1. Links to the various conferences which at the time of the data collection had already completed status (it were an advertisements / invitations or conferences reviews written by organizers); 2. Links to the articles in scholar outlets and business press (most of which were already present in my found list); 3. Advertisements of Hope and Fraser (2003b) book “Beyond Budgeting: How Managers Can Break Free from the Annual Performance Trap” and Bogsnes’ (2009) “Implementing Beyond Budgeting” which were translated into Russian language and brought to Ukrainian book shops all over the country.

4.7. Beyond Budgeting case

During the literature review I found a lot of articles devoted to a certain tools, techniques and principles based on Beyond Budgeting philosophy. Description of single Beyond Budgeting elements, reflections about their advantages and disadvantages, applying in a leading foreign companies as well as a discussion about its compatibility with Ukrainian business realities are displayed in both various articles in scientific outlets and professional media. At the same time there was no connection established and (or) acknowledged between these tools and Beyond Budgeting environment by writers from both sides. Balanced Scorecards, KPIs, Rolling Forecasts, Benchmarking were presented on the pages of numerous publications as a fashion western management tools which can be incorporated by organizations. Therefore, the main stream of articles focused on techniques and implementation of these tools, publications like «The role of non-financial indicators based on KPI», «How to determine desired KPIs» or «effective implementation of BSC: domestic practice» reflected the general trend in Ukrainian management control and accounting literature. This shift toward the coverage of a single management accounting tools and elements without any mentioning about Beyond Budgeting itself made a considerable barrier during the literature review, especially during the search in the network.

More and more frequently I was stumbling upon a variety of articles where Ukrainian company Nemiroff was presented as the most successful example of a particular tools or techniques implementation. First it was a few texts in business magazines about rolling forecasts and balanced scorecards application under the new

management model in Nemiroff. Further, Nemiroff cases were examined in HR magazines, which I found when looking for a leadership principles in domestic organizations. When I noticed this great number of similarities and matches with Beyond Budgeting principles and values I started looking for all available information about this company in web and printed business media for confirmation of the fact that the company is in a tight close to the Beyond Budgeting model. The results I got were unexpected and at the same time impressive enough – Nemiroff has fundamentally changed its management model during just two years, building the MCS based on Beyond Budgeting principles and values.

An empirical description of the results found during the case study will be presented in the following sub-sections, showing the Beyond Budgeting principles in the examined organization. The secondary data used during the case study included published interviews with Nemiroff top managers, articles in professional magazines, information from company website, newspapers articles for the period from new management model implementation until nowadays and presentations from various management conferences where Nemiroff representatives shared achievement and advantages of new MCS. However I could not establish the contact with the company in order to find out more details, directly related to the principles of Beyond Budgeting since I got no answer. This is due to the information restriction as well as different other problems, caused by the loud and lengthy corporate scandal that began in 2009. And if before this conflict Nemiroff was a newsmaker due to its status of one of the most successful Ukrainian companies in the global market and in the business press also due to its unprecedented success in business model restructuring, after conflict occurred the media space has mentioned Nemiroff only in relation with this situation. Endless publications with regard to Nemiroff's rapid growth and outstanding performance on both local and global market were changed by endless news about latest details of the conflict and the results of numerous lawsuits between the owners of the company. More detailed information about the conflict background and outcomes will be presented in the final subsection of the chapter, after the management control system in Nemiroff will be presented.

4.7.1. Brief presentation of the history of examined company

Nemiroff – is a Ukrainian producer of alcoholic beverages, among three world industry leaders in terms of sales and was announced as a fastest growing brand in

the industry since 2004 (Bloomberg.com). Company was found in 1997 in Nemyriv, Ukraine and became the first private company in the Ukrainian alcohol market, which was able to attract foreign investment (Nemiroff.ua, 2015). Production and sales volumes were growing up and the company continued developing new markets, focusing on stake increasing. Company is characterized by high dynamics development: annual growth constitutes over 40%, every year Nemiroff discovers 8-10 new markets for export (liga.net, 2008). At the time of the introduction of a new management system company's products were exporting to 55 countries (in 2014 – more than 80). Even in the most challenging times, during the new MCS building in 2006-2008, Nemiroff showed sustainable growth with turnover of \$ 485 million versus \$ 479 million in 2007 and \$ 398 million in 2006 respectively. Assortment portfolio under the international brand Nemiroff has 26 positions at this moment (2015). Since 1996 company has been shown stable growth and successful performance at both domestic and international markets, however, in 2006, Alexander Glus, President and Chairman of Nemiroff Holding, undertook large-scale structural changes in the company.

4.7.2. Preconditions and reasons for the radical changes and start of the implementation process

In 2006, when Alexander Glus was appointed as a Head of the company the process of complex restructuring of an existing management model has begun. As he explained in one of his interviews later, the company was growing too fast back in 2001-2005 and they simply had no time to develop and shape MCS and business processes in proportion to the size of the company and the external environment. Organization has become a huge unstructured large object that is extremely difficult to control. Thus, the reason for implementing dynamic management control system was dissatisfaction with existing one which was found unsuitable in turbulent and unpredictable environment. It is worth to say that in the middle 2000's when the change in Nemiroff was taken the business environment was much more stable and relatively predictable. Decision about the new model implementation was taken by top management and has been supported by company owners during the all stages of designing and implementation.

By the end of 2005 the shareholders became apparent that the current business model is not viable in the long term. There were many single attempts to change the

structure of trade, assortment, promotion strategy, but it did not reverse the trend. In addition, foreign markets were working in the mode of shipment and the function of brand promotion has been entrusted to distributors. But this is not the road that leads to the creation of a strong brand, the Head of the company suggests. He describes the issues of taking this challenge in a following manner:

“Business grew rapidly, and without a modern system of management of the company becomes almost unmanageable. It is, by the way, the typical problem for most of post-soviet space organizations – they have no time to change and develop the company simultaneously with rapid growth. Anyway, all shareholders realized that it was necessary for us to go through changes, to do something right now. We had to reverse an existing trend and mood in the company” (archive.kontrakty.ua, 2009).

He also emphasized the difficultness and challenges Nemiroff was confronted with during the implementation time:

“It’s like to replace and change all the parts in the clockwork mechanism till the last screw, but so that the clock is not stopped or to refuel the race car right on the track” (archive.kontrakty.ua, 2009).

Thus, it wasn’t just a repair of an existing MCS but a radical change in the shortest possible time. Bjarte Bogsnes (2009) as well as Hope and Fraser (2003) suggests that the perfect start for Beyond Budgeting implementation occurs when the movement toward the new model is fully supported by all company owners, by “visionary leader”, “high-level sponsor” and top management, including financial department. Then Nemiroff really had a perfect start. Despite the fact that company had to challenge an existing MCS fundamentally, both in financial term and, what is more important, on the mind-set level, the full support from the top management was provided. The company founders were completely enthusiastic and confident of the need for radical change. They clearly imagined the form the company had to take in order to perform in more dynamic and flexible way. President of the company repeated many times in interviews that from the strategic point of view, unless he changes the organizational structure now, the company may not survive the next market upheavals – whether it would be the financial crisis, the introduction of regular standards or any other major change in market conditions.

Nemiroff claims that the changes have been carried out on their own, from their point of view. Only the first stage involved British and American consulting companies to determine some correct directions. The remaining steps were completed independently, basing on their experience and awareness about all the nuances and details that should be taken into account.

From the very beginning the team of professionals with the right mind-set and knowledge was gathered – those who had to manage with the introduction of the new management system. The first stage of the realignment was to combine disparate businesses in holding company with matrix management. In Nemiroff this organizational structure meant the abandonment of a top-down management style based on command and control levers which is substituted by decentralized structure with authority delegation to front-line managers.

First of all strategic and operational levels of management were clearly separated. From this moment, the general strategy, vision and global investment plans are formulated by the Board of Directors, while the decisions making about how to translate it into short term and midterm objectives was entrusted to local branch managers.

They started the restructuring, taking into account any items and all the little things have been examined and optimized and thereby during the scrutinizing of the problematic places they reached, as they said, even the "bottom" of the company. So all the business processes have been optimized or rebuilt fundamentally, making them as efficient as possible, and thus liquidity. And optimization has touched both tangible and intangible assets.

All members of self-called “team of change” claimed that the biggest challenge of the whole transformation process were the people in the company. Many times top management emphasized and explained that the success depends not solely on the system change and implementation of brand new tools but rather on the staff support, how employees on different levels will react on innovations, their willingness to work in a new format.

However, the new management control system was able to organize the work of the most problematic group of employees – middle level managers, who showed the

biggest resistance to the new organizational structure and performance principles. And that is how the President of the company describes this issue:

“It was extremely difficult task, because it was not only about the innovation process in organizational structure but the relationship between people. For example, some employer working in the company for eight years and he had created some kind of a comfort zone during this time, and then, suddenly, we ask to change everything. As a consequence, the resistance occurs. It’s natural thing.”

One of the shareholders reminds how it was difficult to handle the resistance:

“Then the biggest difficulties began. We had to explain to almost every employee that all the proposed changes for the benefit of everyone and most importantly - without these changes, the further development of the company is impossible. The company created all the conditions and opportunities for everyone who felt the desire to develop in professional sense. Most of it is understood. The vast majority of our employee did understand it.”

President of the company also explained that they were not going to fire somebody since everyone chooses for themselves: to change and develop along with the company or to stay in comfort zone and leave the company. He stressed that at the same time they could not avoid losses, but suggested that it perhaps always happens, with any organization that goes through changes.

Accordingly, mental problem was named as the most challenging, time consuming and hard implementing. However, Nemiroff, like many other organizations in Beyond Budgeting journey has overcome this barrier; not immediately but the comprehensive HR police helped to achieve positive staff response. How the company coped with the potential threat of resistance as well as other implementation issues are presented in the following subsections of Beyond Budgeting principles description.

4.7.3. Leadership principles

In the next subsets leadership principles employed by Nemiroff during their transformation are presented. Changes in management model and mind-sets of the employees are described basing on numerous interviews found during a literature review.

4.7.4. Customer-oriented performance

Nemiroff calls itself a customer oriented company, having long and successful traditions of delivering high level customer satisfaction both on domestic and international market. Its customer oriented model helped the company to achieve a world-wide success before transformation process and changes that occurred within the new management model implementation aimed to maintain, optimize and improve an existing policy towards customers' attraction.

“The global spirit market “wants a new brand.” And our strategy is aimed at meeting the global needs since customers are the main actors in any supply-and-demand relationships.” (Nemiroff's Co-founder, Shareholder).

In order to improve the quality of their products, Nemiroff applied laser engraving of numerical code on the cap and bottle neck. They were the first company in the CIS who have introduced this system. In Nemiroff claims that forgery of drinks that have such a degree of protection is just not practical, because it requires a huge investment in coping equipment which makes underground business unprofitable.

The development of new products has become one of the directions of Nemiroff's strategy. As president of the company explains:

“Nemiroff brand portfolio is designed specifically for different preferences of our customers. We always create new tastes and forms to meet even the most demanding requirements of our customers. In any business, and especially in the market of spirits, it is important to constantly generate new ideas and not being afraid to bring them alive. If a company can't run out of stream and has nothing new to offer, it is time to go out of business.”

4.7.5. Decentralized organizational structure

Launched transformation was designed to integrate all business processes in a single system, which is integrated with corporate standards. At the same time the decentralization of the company has been maintained and developed, fixing the processes that had not been in line with the corporate strategy. Empowerment is

considered as a one of the core values in Nemiroff and flat, decentralized structure provides an opportunity for this feature.

When talking about Nemiroff organizational structure it can be presented as follows: The main company is located in Kyiv, while three other Ukrainian business units are situated in Khmelnytskyi, Nemyriv and one more department in Kyiv. Network of teams are also consists from Nemiroff Trade House in Russia (Moscow), Trade House in Poland (Warsaw) and Nemiroff International with headquarter in Budapest (Hungary). Each department has its own management stuff, including CEO, CFO, CMO, COO and CHRO.

At the same time during the transformation the uniformed corporate standards was carried out. The Chief Human Resource Manager described this process in a following way:

“Let's say there are a few companies or units that belong to the same group of shareholders, who have declared that their business is integrated into a holding structure. In fact, in each of these units corporate cultures are completely different, as well as they have different rules and procedures, and it is expressed throughout - from the staff recruiting and ending with the peculiarities of the compensation package, rewards and requirements to the quality of work. Could this be the really effective business in a highly competitive environment?”

Top management tried to achieve a right balance between empowerment and control, which was expressed mainly in setting the general, clear values and targets and monitoring process. In total, operational performance on the bottom of hierarchy was delegated downward, thus, providing a freedom and capability to act and take decisions.

However, some degree of resistance was also found in Nemiroff during the transformation. The Chief Human Resource Manager told how the stuff issues were considered together with the whole change context and how these barriers were overcome. He explained that all of their transformation processes were inextricably linked to the human resource management system change. But in order to avoid a dissatisfaction and disappointment in the final point of the new model implementation, they had to prepare stuff properly for these changes. He then summed up saying that after all, any changes are about difficulties and if

managers don't get staff support, if people are not informed enough about forthcoming innovations and upgrades, why and how it is going to be introduced in the company, then company runs the risk to get a wave of resistance.

Then she explains how the new HR policy was designed and provided in Nemiroff:

“In order to turn the changes into a familiar working environment, it was decided to conduct an open information policy with the staff regarding all the future changes. The main task of HR department was to manage this communication.”

She also tells how the balance between control and autonomy has been found in Nemiroff:

“Since it was decided in Nemiroff to unite all our companies and divisions around a single corporate center - the Head Company - this meant that the general brief rules had to be designed for every business unit. These rules will apply to all entities, no matter how far they are located from each other. Employees should clearly identify their employer, corporate values; feel personal involvement in what is happening in the company. At the same time a broad empowerment has been given to a front line in order to ensure that people have enough freedom to take responsibility and make decisions. This is a difficult task, but we have successfully coped with it.”

Nemiroff top managers claim that during the transformation period they didn't interact and change the local managers' performance. Instead, they visited every single department and rather “shared or borrowed experience” than provided any additional control tools. They acknowledged that the commands lowered down hierarchically will not work better than those taken inside the branch unit. President of the company commented that even when having a common basis and some general rules and values, it is necessary to consider peculiarities of local markets, the mentality of the staff in each team.

According to top management of the holding, every department is able to run their business as their own and take full responsibility for everything they do without restrictions. These issues of responsibility and autonomy will be discussed more closely in the next subsection.

4.7.6. Responsibility, Autonomy and Transparency

These three principles are present in the company to varying degrees. Company owners and top-management repeatedly emphasized these issues as a vital for new management model success and serviceability, stating that “people are the most valuable resource of the company”. A lot of comments were given regarding the vitality of new management control system acceptance by the employees, their willingness to work under new principles and in the new environment.

Starting from the autonomy and responsibility presence in the company the following quotation highlights its importance:

“My own success and what is more important – a success of the whole company is inextricably linked to the quality of my team. For me, people are the fundamental background for any management system. Strong persons, with an inner core, well-established world view, values consonant with the values of the company. I'm interested in employees who have the potential and who is ready to implement it in the company.” – Head of the company.

And that’s how he explains a notion of transparency in the company:

“Our goal is - to create a successful, completely manageable company with the full transparency of all business processes that would be measurable at the level of major international corporate ratings such as Standards & Poors. Under the global financial crisis, such a goal is more than justified, transparent management structure and the maximal business process optimization reduces the possible negative consequences of the crisis”.

“Any company needs to answer an eternal question: who is more desirable for an organization - talents or "soldiers"? It depends on functions a particular department performs - somewhere you need a talent, but somewhere – a "soldier". It is anyway inefficient and wrong to turn creative people into “performers” only. And the leaders’ task is to build a system that will not break the person but allows finding and realizing the dignity of each employer. For me it’s more comfortable to work with talents, with those who can handle responsibility and is not afraid to take decisions.” - Chief Human Resource Manager.

When asked about the crisis impact on human resource policy, Nemiroff's President stated that even though that the first average organization's response to financial difficulties is a personnel costs reduce and layoffs, they didn't use these levers:

“We did not reduce staff - either at the factories or in the departments. Moreover, we did not reduce wages. As a result of company's transformation, each employee now gets an important role, regardless of who they are in the ranking. In order for such a serious and large structure as Nemiroff Holding, to perform well, it is important that everyone do understand their importance for the company. Much depends on how he works and his attitude towards his work. As an innovative company, which we consider ourselves in the domestic, and perhaps in the world market, the scheme like "people are cogs in a big machine" simply cannot run. Moreover, we understand that for an average manager it is important to see not only the result of its own, being integrated into the performance of his department, but also clearly aware of the personal contribution to global business objectives of the company, even if at first glance they are not related to its direct functionality.”

However all transformation initiators acknowledge that it is always remains a place for careless attitude to work and trust and autonomy abuse:

“In addition, changes mode of life still brings an element of instability in company's performance, and some people, knowing this, allow themselves some shortcomings because they know there is no strict control on them.” – President of the company.

4.7.7. Values

Before the transformation process has been launched, in Nemiroff the main strategic target was formulated:

“All the objectives of the company subordinated to one: to be number one vodka brand in the world. This is a fundamental task that is structuring all other activities of the company.” - President of the company.

Thus all secondary goals are subordinated to the main strategic task. HR managers repeated couple of times that a detailed and extensive educational work has been carried out with the staff, to convey to them the goals and values of the company.

4.7.8. Separation of forecasting, planning and resource allocation

Nemiroff's top managers told that their forecasting and planning processes are separated since they claim that a plan should be perceived not like a dogma but rather as a tool, possible ways of development. It is important to be ready to change it any time. CFO explained the characteristics and differences between plan and forecast in their company: they clearly understand what planning process is designed for. For example a cash flows plan is not expected to be followed successfully: indeed, it is important to detect and understand liquidity gaps they can experience, and, therefore, how payments should be allocated in order to avoid possible complications.

He then explains in details budgeting issues that many companies in Ukraine face and Nemiroff is among them. The key change in this process in recent years (interview was conducted in 2009) is that budgeting period was significantly reduced by domestic organizations - from 12 to 3 months. But if Nemiroff replaced budget with the rolling forecasts, another companies continued to design a fixed calendar numbers. Since the market situation changes almost hourly, then the purpose for budgeting, for example, in January for the period of September-December of the current year is lost because the data have to be recalculated several times.

“In long-term planning we have clearly identified strategic markets by addressing development priorities and investment policy reconsidering. In the short term perspective we have moved to a detailed assessment of variations on a monthly basis. Furthermore, we have incorporate the rolling forecasts in order to have a dynamic multi-horizontal planning since there is no point to create an annual forecasts. We need to update our forecasts at any time and location – Nemiroff operates in very turbulent and unpredictable environments across the globe and we have to respond quickly.” – CFO of the company.

4.7.9. Post-implementation period

Addressing the question about how company survived during the financial crisis, President of the company explained that after transformation completed they were able to implement a strategy of sustainable growth even during the crisis years. And according to the results of 2010, Nemiroff became an absolute market leader in Ukraine, for the first time in their history.

“Frankly, I do not know any example of spirit companies - neither in Russia nor in Ukraine - with such a modern, clear and precise management control system that we have created in “Nemiroff Holding”. - Head of the company.

Nemiroff’s transformation experience has been highlighted in business press many times during the period of 2008-2011 years. A successful story of radical change in all organizational levels and aspects has been reprinted in many journals and websites; however, it has never been named a Beyond Budgeting case. Later, in 2011 company faced a huge corporate scandal that attracted attention of all Ukrainian media even stronger than a new management model implemented. The conflict between company owners is still goes on and Nemiroff became difficult for feedback. In 2012 Head of the company joined a press conference where he mentioned that new model still work successfully and could be even more efficient in case corporate conflict calmed down.

4.8. Interviews outcomes

The aim of the interviews was to extend an overall knowledge about Beyond Budgeting attitude among Ukrainian business field as well as to update this knowledge and combine opinions received with those in secondary data.

In the tables and figures below the interviewee’s attitudes towards the Beyond Budgeting principles and issue of its applicability among Ukrainian organizations have been summarized and therefore illustrated.

4.8.1. The sources where Beyond Budgeting first learned from.

The first data set shows the sources where respondents first learned about Beyond Budgeting. This question hasn’t been answered by any of the writers in both

academic and professional journals, at the same time it is designed to help us understand the primary source of Beyond Budgeting idea, thus, the first stage in traveling process.

Respondents	How did you learn about Beyond Budgeting? Have you been looking for additional sources in order to find more about this framework?
1	“This topic was discussed at one of the lessons in the business school where I studied. It was 2007”.
2	“From Hope and Fraser’s book “How managers can break free...”, when it was first published in Ukraine in 2005 One of my colleagues recommended this work.”
3	“I don’t remember for sure. But, probably, it was an article in one of the business journals we used to order in office.”
4	“In 2004 in business school where I have been teaching for a long period of time. Business schools have their fingers on the pulse and carefully follow the news and trends in the management disciplines.”

Table. 4.3. The sources where the respondents learned from about Beyond Budgeting.

As it is evident from the Table 4.3. all respondents first learnt about Beyond Budgeting from different sources: foreign and domestic business schools, professional journals and book by Beyond Budgeting co-founders. These sources as well as scientific journals series and business conferences are the main participants involved in Beyond Budgeting translation from one setting to another, from Scandinavian and North American countries to Ukraine.

4.8.2. Respondents opinions about Beyond Budgeting applicability in Ukrainian context

All respondents agreed that, in terms of mentality, the fulfillment of a central idea of the concept - the budgets abandonment - is the most difficult stage of the evolution of management practices. But it is possible to overcome it. As one of the respondents stated:

“It’s actually the only Beyond Budgeting principle that is difficult to meet in the nearest future. Most of the companies even when got adopted a wide range of Beyond Budgeting principles will resist to the full budget elimination as long as possible. The rest of the requirements such as decentralization, bureaucracy reduction, rolling forecasts, benchmarking – it’s possible to implement and many our companies have already picked and provided a lot of these tools simultaneously” (Respondent 4).

His colleague adds:

“There are a lot of examples of an organizations feeling free to use no less that, maybe, six, seven or eight Beyond Budgeting principles” (Respondent 2).

Another interviewee refers to a lack of success stories in the west as well as its absence in Ukraine:

“Although Beyond Budgeting was designed for performing in fast, unpredictable and turbulent environment, on practice it was implemented by organizations operating in a sustainable and predictable business climate. This makes it difficult to compare Beyond Budgeting pioneers with potential adopters here, in Ukraine. But, nevertheless, budgeting - this is just nothing but a waste of time and resources. A main purpose of budgeting - gain control over business processes is becoming increasingly illusory and utopian, since our world is moving too fast and if manage the company according to the budget plan, we are facing the danger of inflexibility and inability to change with the world and necessary reality.” - (Respondent 1).

The overall impression about received information allows concluding that the shift towards more positive perception of Beyond Budgeting concept among Ukrainian practitioners has been made during the last few years comparing with rather skeptical views shared by professional media and practitioners in 2000’s (Table 4.4.). All respondents clearly emphasized that they perceive the concept as a human-based model, while management tools and techniques takes a second place.

"The corporate culture and employees' values are the main factors that determine the effect of the Beyond Budgeting concept implementation." (Respondent 2).

The most popular conclusions remain calling managers to consider Beyond Budgeting philosophy as a combination of both traditional budgeting most vital tools and Beyond Budgeting principles that fits to particular organization but with little shift towards the last ones.

Respondent	Opinion about Beyond Budgeting applicability in Ukraine		
	Positive	Compromise	Skeptical
1			
2			
3			
4			

Table 4.4. Respondent's opinions about Beyond Budgeting applicability in Ukraine.

As it can shown in the Table 4.4. no one among four respondents expressed a critical attitude to the concept and didn't claim that its inapplicable in Ukraine. Respondent 1 stressed that it might take more time before Beyond Budgeting will be introduced by the first Ukrainian organizations and a rate of adoption will be lower significantly comparing with western countries and especially Scandinavians.

Rather different opinions were expressed toward Beyond Budgeting principles. Some of them various respondents didn't mentioned while the rest of them have been evaluated or commented. Results are summarized in Figure.

Beyond Budgeting principles	The likelihood of successful implementation according to respondent's opinions			
	1	2	3	4
Values				
Governance				
Transparency				
Teams				
Trust				
Accountability				
Goals				
Rewards				
Planning				
Coordination				
Resources				
Controls				

- Optimistic
 - Sceptical
 - Don't believe

Table 4.5. The likelihood of successful implementation according to respondent's opinions

Even though all the respondents acknowledged the importance and fundamental meaning of all twelve principles and management accounting and control tools that should be used from the human-based perspectives, they expressed their doubts towards much of the principles from both leadership and process sets. Transparency, accountability, rewards and coordination turned out to be the most controversial in terms of its perception by practitioners. When transparency and accountability were commented as one of the most untypical principles for domestic business culture, such domain as rewards issues were skipped by two of the interviewees while two others noted that either it will meet a strong resistance or basically will not be

implemented. One of them think that rewards based on shared success of the whole team are almost applicable or can be adopted in exceptionally.

Respectively, values, governance and planning received the most support among the respondents. Beside the twelve principles interviewees also shared their opinion about contextual and technical elements of Beyond Budgeting environment. For example, three of them consider a separation of forecasting, planning and resource allocation as a requirement that doesn't have much chance to be fully implemented and the vast majority of managers of Beyond Budgeting projects will still mix these aspects. They also think that much of them will still use annual budgets along with dynamic forecasting.

Answers and reflections provided by interviewees shed more light on the issues related to top management's attitude towards empowerment and control reduction. Despite the fact that the effectiveness and appropriateness of the traditional command and control management are inversely proportional to the turbulent external environment (Kaarbøe et al., 2013a), Ukrainian managers see this type of control as the only true mechanism to maintain control and stability of the organization. All that resistance to control losing that was described by Beyond Budgeting proponents arises in all details in Ukrainian management styles. All respondents stress this mind-set issue as a biggest barrier between traditional management model and modern flexible approaches like Beyond Budgeting.

One of the business lecturers shared his opinion about current trends in his professional field – business education – namely, how management innovations are highlighted by business schools and, therefore, on their role of the concepts translation and edition:

“Paradoxically, but Ukrainian market of financial education, which seems to be the most conservative in terms of study programs content, to a large extent exposed to fashionable influences. Most of the new management concepts and subjects come to us from abroad and usually it's a fashionable trend that we can't ignore. And here in Ukraine, it's getting adapted and sharpened within the national and industry specific. Therefore, it happens that some of the technologies, "imported" to us from the West, are used in a different way than the original version. Thus, among the experts in finance is an active discussion maintains about an American management accounting concept and German controlling system. Much attention has been

attracted in recent years to technologies such as Balanced Scorecard, Beyond Budgeting, Value Based Management, Enterprise Risk Management, and others. And for us it is important to explain how these innovations can work in Ukrainian realities.” – Respondent 3.

Summing up, one of the respondents repeated again his attitude towards Beyond Budgeting as a brand new model that calls to rethink a current management practice:

“Of course, it seems incredible that such a model can work in our realities. To work under this concept, you need to have a different level of consciousness. This is the main condition for Beyond Budgeting implementation at its best, that is, in the Swedish and Norwegian version. It is about the basic rule: even when it comes to financial issue in the end it turns out that the main difficulty are the people.” – Respondent 4.

4.9. Summary

After all, available sources of information about existence and precondition for Beyond Budgeting emergence in Ukraine actors involved in translation of the concept can be identified. For supply side translation process is supported by professional media, scholars and conferences organizers. At the same time two groups of mediators have been absent – consultants and early adopters – actors that usually play vital role in management techniques and concepts dissemination and traditionally didn't take part in Beyond Budgeting promotion (Bogsnes, 2009; Becker et al., 2010; Madsen, 2013).

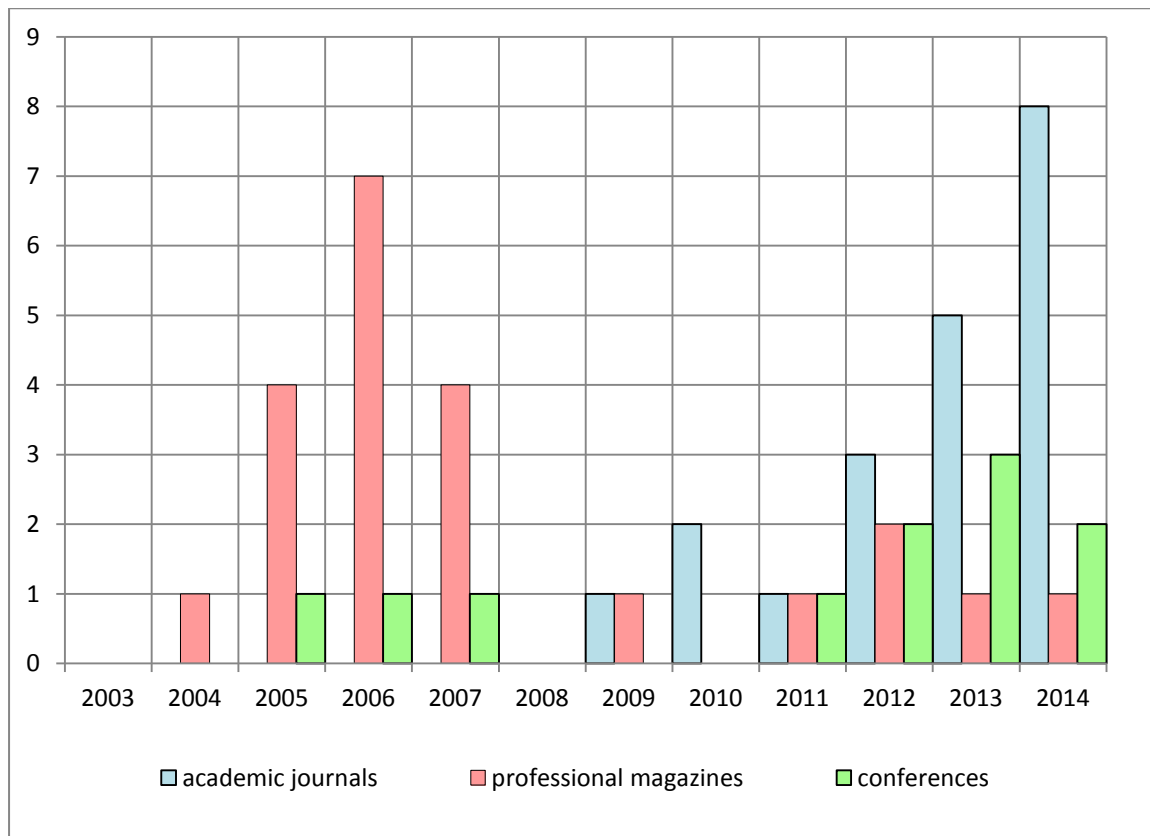


Figure 4.6. The total number of academic journals, professional magazines and business conferences per year.

Figure 4.6. shows a total correlation between publications on Beyond Budgeting in both academic and professional magazines as well as conferences been held in this period of time.

Professional background	Number of authors	Total percentage
Academic	29	45.3
Business	16	25.0
Business and business education	13	20.3
Business education	4	6.25
Consultancy	2	3.1
Total	64	100,00

Table 4.5. Professional backgrounds of authors of Beyond Budgeting publications

Table 4.6. summarizes an occupation of Ukrainian Beyond Budgeting. All types of publications were taken into account in order to deliver a more representative picture. Most of the authors belong to business circle while scholars shared only 25% of the total amount while the consultants almost didn't take part in Beyond Budgeting discussions.

5. Analytical Chapter

The main aim of this chapter is to present and interpret empirical results in the light of research problem. Here, the theories described in Part 2 brought together with empirical findings. Since the main aim of any article in professional media was to define whether it is appropriate to use Beyond Budgeting framework in Ukrainian organizations, this analytical part seeks to define and systematize a concept's translation process, a role and participation of different mediators in idea reshaping and change, an evolution of trends in attitudes toward Beyond Budgeting among its potential adopters in Ukraine, and, finally, its current state. With respect to the last position, general Ukrainian Beyond Budgeting model is presented.

5.1. Beyond Budgeting's translation process

As it was explained in theoretical part, I use a Travel of Ideas framework to my empirical findings in order to answer research questions. This perspective allows determining patterns of idea travel and translation as well as its main carriers and editors and the way they picked up, reshaped and spread the concept (Czarniawska and Joerges, 1996; Sahlin-Andersson, 1996). I will analyze all organizations and institutions that acted as carriers and/or mediators – academic and business writers, business conferences. As it was noted above, consultants didn't take part in Beyond Budgeting popularization in Ukraine: the only two articles written by consultants didn't contain evidences that can be interpreted as an impact and Beyond Budgeting fashion positioning as well as they didn't try to convince managers that they need to implement this innovation in their organizations. Their disengagement in Beyond Budgeting promotion and dissemination was also noted by previous studies (Becker et al., 2010; Madsen, 2013).

5.1.1. Translation through academic literature

Since being one of the channels of management knowledge dissemination, scholarly publications were a part of this process in Beyond Budgeting cross-national translation from Scandinavia to Ukraine. As ideas usually take form of written presentations (Sahlin-Andersson and Engwall, 2002), Beyond Budgeting during its circulation was translated into text that appeared in form of academic and professional publications.

In this stage editing process was executed by actors involved in translation, namely academic writers. Having all necessary rhetoric and formulation techniques they didn't use it. Articles didn't provide much analysis, assumptions or conclusions and those comments that were made didn't shape or reframe the concept according to their perceptions and understandings of the topic. They in fact didn't bring the notion of Beyond Budgeting into local Ukrainian context; they didn't reembed it into specific context in which it might be used by potential adopters.

They, however, edited Beyond Budgeting in the sense that they distorted its founding philosophy as a leadership and people-based management model, where a notion of trust and autonomy is a central (Bogsnes, 2009). Instead, writers made a shift towards a technical perspective, describing and discussing management accounting tools like rolling forecasts and balanced scorecards, in fact, often separately from the whole Beyond Budgeting framework. In this sense one may say that these authors have ignored and passed by those principles that seems to be inapplicable and don't fit a specific local context while similarities were repeatedly emphasized (Sahlin-Andersson, 1996). Since certain management accounting tools are widely employed and are in fact institutionalized in Ukraine (&Finansist, 2012; 2014), respectively, the greatest attention was paid to them.

The issues of decentralizations were also skipped in most of the cases. Authors who put this Beyond Budgeting element into their concept interpretation just mentioned it briefly without any further explanations. At the same time most of the articles had an example of Handelsbanken which in fact illustrates decentralization as a cornerstone of this management system rather than being an example of budgeting abolishment (Libby and Lindsay, 2010).

While most of Ukrainian Beyond Budgeting writers didn't consider a leadership and process principles as a one unit, they made a one more discourse, at this time towards budgeting abandonment and rolling forecasts installation instead of it. Describing it

this way, they didn't linked budgets issues with human side of the enterprise, since *"a mind-set required before we look at tools and process required. No tool or process can do this job alone"* (Bogsnes, 2009: 140). The typical article suggested, that in order to implement Beyond Budgeting model it is enough to replace it with different set of tools. Bogsnes also emphasized that "the purpose is not to get rid of budgets but to create more agile and human organizations" (Bogsnes, 2013:20). Human side is what was almost dismissed in Ukrainian academic perspective on Beyond Budgeting.

The positive moment of such a discourse is that scholar writers made the concept more understandable in terms of Ukrainian definition. The point is that they didn't use a label Beyond Budgeting in title (there is only one exception) but replaced it with more understandable and familiar for non-English speaking readers explanation. Instead of Beyond Budgeting they offered various Ukrainian denotations like "non-budgeting management", "management without budgets" or "beyond budgets (but translated it into Ukrainian) that makes more sense for those who read a title and seek to form a basic idea perception.

Another vital requirement for Beyond Budgeting model was almost lost in translation, namely, rewards and evaluations. Only few authors described a relative performance based rewards and it's the need for fixed performance contracts abolishment. These can be understood as an extra details drop that could have been perceived as too difficult to understand (Greenwood et al., 2002). This in turn distorted the logic of translation (Sahlin-Andersson, 1996) since an attention was shifted dramatically from the aspects that are seen too complicated and not relevant for the new context and receivers.

A lot of authors don't cite primary Beyond Budgeting sources, like Hope and Fraser, Wallander or Bogsnes, referring previous articles by their Ukrainian colleges. This in turn may cause additional circulations of idea since the primary source is getting lost and more broad and loose interpretations can emerge, creating new meanings and features will be ascribed to the concept (Czarniawska and Joerges, 1996; 2005; Sahlin-Andersson, 1996).

The one more pattern of Beyond Budgeting reflection in domestic scholarly magazines is a significant time lag between scholar publications and articles in professional media. This conclusion is made since Beyond Budgeting topics became

emerge in academic magazines only during the last five years (the date of the first publication is 2010) while professional media started to shed a light on Beyond Budgeting and related topics since 2005. This observation is consistent with the previous findings in management fashion studies (Spell, 1999; Rüling, 2005; Nijholt et al, 2014), supporting the suggestion that fashion emerge in professional media earlier than in academic publications. However this fact doesn't give enough reasons to consider Beyond Budgeting as a management fashion, since rate of adoption doesn't support this assumption.

One of the respondents asked about latest research findings in Beyond Budgeting studies, namely, about the overall level of adoption in western countries. This fact can serve as one more evidence that supports an assumption about a lag between academic literature and idea deliverance to potential users. Also, nobody from four respondents mentioned scholarly publication as a source of information in topic considered.

Summing up, it might be said, that during idea translation and editing through academic fields, it has been simplified, abstracted and generalized thus appearing more familiar for the new context and more available for imitation (Czarniawska and Joerges, 1996) since the specific local prerequisites like autonomy, transparency, responsibility and other human features of the new model have been played down. At the same time central notions in Beyond Budgeting philosophy, like mind-set transformation, relative performance or tree budgeting purposes decoupling were almost ignored.

5.1.2. Translation through professional magazines

Professional media plays a main role in Beyond Budgeting dissemination and shaping. This was confirmed by the data gathered on the basis of the interviews with the demand-side representatives and numerous findings during the literature review. Both scholars and practitioners acknowledge that professional magazines and conferences continue to play a key role not only in a transportation of Beyond Budgeting in Ukraine but also have a greatest power to influence an attitude towards Scandinavian concept. And like with a lag between scholar and business journals case, this finding is also in line with the main theoretical findings in professional-

media and social-media perspective on management ideas gatekeeping (e.g. Abrahamson, 1996; Spell, 1999; Carson et al., 2000; Nijholt et al., 2014). In later studies researchers began to see an editor's perceptions of certain ideas newsworthiness as a vital factor in its translation and editing process (Nijholt et al., 2014).

In total, description of Beyond Budgeting principles and advantages are reflected in professional print media in greater details than in academic literature. Business publications writers used different rhetorical elements, like storytelling and other techniques that attract readers' attention when interpreting the concept. Also authors in professional magazines provided readers with analysis, conclusions and recommendation regarding Ukrainian business and cultural environment – this was avoided mostly in scholar publications. They discussed management accounting and control practices and innovations in Ukraine, delivered to the audience various opinions shared by professionals both in western countries and in Ukraine and compare foreign experience and achievements with domestic traditions. Doing so, they tried to change and reshape highly institutionalized business environment by bringing new ideas and practices to internal knowledge market.

Also, when comparing discourses that took place in both Ukrainian and international business press in BSC publications and those with Beyond Budgeting it need to be outlined that different types of products were highlighted. BSC as a tool attracted wide attention of consultants, which helped it to become an institutional element, while Beyond Budgeting has been positioned as a philosophy and thus considered as a concept that is extremely difficult to commercialize ((Becker et al., 2010; Madsen and Slåtten, 2013). Management consultants respond to the current environmental demands and seek to satisfy a niche emerged. But this requires the presence of early adopters and successful examples what was not a case of Beyond Budgeting. Therefore, professional magazines didn't try to sell Beyond Budgeting but rather to perform its natural functions – to serve as a specialized information provider. The main aim was to discuss and analyze the concept as impartially as possible.

5.1.2.1. Beyond Budgeting “edition” in the professional magazines

Despite the accepted logic of translation discourse and editing rules that distort an idea in some degree, Ukrainian professional magazines were able to keep the balance between narrating and the holistic model deliverance without dropping vital principles and statements. Authors in almost all cases carefully delivered all necessary information that should be told about Beyond Budgeting and added their opinions about the concept prospects and applicability in Ukraine without general information omission or distortion. What is the most important – the logic of Beyond Budgeting principles description and analysis hasn't been violated (Sahlin-Andersson, 1996): authors kept the balance between uniform present of both leadership and process principles with only few little exceptions related to reward system. While emphasis in academic literature was put on tools that aim to substitute calendar-driven budget, practitioners reached a balanced narrative where the human side of the model is given enough attention (Sahlin and Wedlin, 2008).

Thus neither a form of idea nor its content and meaning hadn't been reformulated or changed (Sahlin and Wedlin, 2008). It should be emphasized that the distinction between idea presentation and opinions and suggestions expression was clearly made in Ukrainian business press. Each time authors stressed that the conclusions are based solely on their opinion and experience gained in the industry they were belonged to. Every time idea remained relatively stable and unbundled while circulating in Ukrainian business media though time and space (Mazza et al., 2005).

It is noteworthy that in terms of labeling, the name of the concept hasn't been changed. While professional magazines created titles where Beyond Budgeting was positioned in a way similar to scholar articles presentations – displaying the “Beyond Budgeting” signboard and putting in the title keywords that are more familiar for readers (for example, “non-budgeting management”, “managing without budgets” etc.) – Beyond Budgeting label was kept unchanged inside the content and all authors delivered the history of the concept and its name emergence.

In total, Ukrainian professional magazines followed Beyond Budgeting description standards that were established in western press and in these terms didn't differ significantly.

5.1.3. Translation through conferences

A lot of conferences and seminars were held starting from the middle 2000's including a Bjarte Bognes' presentation in the capital of Ukraine that can be perceived as a management guru influence as well (Jackson, 2001; Clark and Greatbatch, 2004; Giroux, 2006; Huczynski, 2012). It was not possible to explore a translation and edition discourses that have been done by the speakers and organizations of these events and advertisements and brief descriptions found in internet were the only sources available for analysis.

Generally, conferences' advertisements and reviews scrutinized shows that Beyond Budgeting was discussed on these events mainly from the perspective of its applicability in Ukraine. Many top-managers presented reports where they summarized some of the Beyond Budgeting principles and techniques their companies had already established. A significant amount of reports were aimed to emphasize and support budgeting critique thus acknowledging that the same problems as in the western countries are also present in Ukrainian organizations. There were also a lot of external speakers from all over the world who shared their experience and thoughts about the concept.

In this way, conferences dedicated to Beyond Budgeting have established a cross-national and cross-fields arena where both scholars and practitioners could learn and share an existing knowledge and experience at the same time.

5.4. Comparison of previous debates about Beyond Budgeting diffusion with findings from empirical data

In order to understand the patterns and logic of the way Beyond Budgeting takes towards Ukraine it seems to be important to analyze closely the sources and actors that play a crucial role in this process. It is necessary to find out the link between participants of supply and demand side of ideas' traveling and the way Beyond Budgeting is communicated in Ukraine. Erlingsdottir and Lindberg (2005) argued that the idea should be decoupled from its previous context, translated into an object by consultants and media to support and stimulate the traveling process and finally the idea must be unpacked by organization and embedded in its context and environment. Authors state that the travel of ideas can lead to homogeneity as well as

heterogeneity among receiving organization – after all it depends on how the idea was packed.

Moreover, proponents of different theoretical perspectives, including Scandinavian Institutionalism, Diffusion of Innovations and Management Fashion, stresses that popular management models cannot remain unchanged and be just copied when picked up by later adopters. Interpretative viability is that characteristic that allows managers to capture, adapt and edit traveling idea, designing their own model that fits all necessary cultural and environmental demands (Benders and Van Veen, 2001; Rogers, 2003). This pattern was repeated in Ukraine like it was present in previous studies of Beyond Budgeting emergence and emergence perspectives in different locations (Andersen and Levina, 2014; Gullmark, 2014). Empirical findings gathered and presented in analytical chapter showed that although Beyond Budgeting translation was not really large-scale, it also changed the perception and understanding of the idea packed among receivers.

Despite the strong belief of main Beyond Budgeting promoters (i.e. its founding-fathers, BBRT) that this concept should remain unchanged (otherwise it will lose its identity and uniqueness) Beyond Budgeting idea has been translated into object in quite different way with respect to its classical version. Professional magazines, scholars and practitioners stated that Beyond Budgeting itself is something that cannot be reached and reproduced thus everybody can feel free to take those principles and ideas that will fit to particular organizations and will suit its management styles. In different words, it was presented as a utopian view on management model that managers need to find out a «golden mean» between traditional budgeting and Beyond Budgeting. Two general opinions have been offered by carriers, editors and potential receivers of the concept. First is that it is definitely difficult to implement Beyond Budgeting in Ukraine due to cultural, economic and political barriers and not many companies are able to go through such a radical changes and second approach states that concept is a logical stage in management control systems evolution, which brought together the best possible practices and its spread across Ukrainian organization is only a matter of time. Thus, media provides analytical information about Beyond Budgeting from the different perspectives providing managers with various points of view.

5.5. Barriers outlined by the concept translators and potential adopters

Answers given from respondents interviewed and literature review were in many cases in line with the arguments and points of view with previous findings. All publicists and all interviewees agree that traditional budgeting is obsolete and no longer fits to modern business environment (incl. Bunce et al., 1995, Hansen et al., 2003; Hope and Frazer, 2003; Bogsnes, 2009). However, the findings from Ukrainian print-media and internet resources showed that the attitude toward Beyond Budgeting concept in Ukraine is sometimes skeptical. The results reflect Ukrainian practitioners and scholar's attitude toward possibility of Beyond Budgeting shift and budgeting abandonment among Ukrainian organizations in the recent future as well as no firm with already established Beyond Budgeting-based MCS was found. While data gathered from academic publications deals only with brief descriptions and repeating of Beyond Budgeting theory (often citing only Hope and Fraser's publications) with no deep studying of the phenomenon and with no discussions, business journals, internet sources and respondents provided an information related to the attitude toward Beyond Budgeting among Ukrainian top-managers and companies owners. Among others, empirical findings also showed a degree of resistance and barriers Beyond Budgeting concept meets in developing countries where needed cultural peculiarities absent while unpredictable environment and wick economic situation present.

Barriers that face Ukrainian companies while implementing Beyond Budgeting are partly in line with those that have been found earlier by various explorers. During the last 10 years Ukrainian practitioners and theorists have outlined the next three main barriers that Beyond Budgeting concept meets in their business and cultural environment:

Trust problem. It is extremely difficult to change a mind-set of both management stuff and employees even for those companies that do not operate in unpredictable environment (Rønning and Ervik, 2008; Libby and Lindsay, 2009). Hope and Fraser (2003) acknowledge that trust-building requires a lot of time and that is a big cost for a company that has a weak financial position and operate in turbulence environment with bad economic situation. And if Bjarte Bogsnes (2009) was talking about the minority of those who didn't share trust atmosphere of StatoilHydro, Ukrainian CFO

and CEO assume that in Ukraine this people would have belonged to the vast majority.

Budget abandonment. The actual budget abandonment is seems to be problematic according to various Ukrainian business publications. Many authors suggest that companies can use Beyond Budgeting tools and technique, even separate forecasting, planning and resource allocation but at the same time maintain annual budgets. Moreover, according to some authors, a significant amount of companies do mix these two approaches intuitively since a lot of management teams in Ukrainian organizations implemented Balanced Scorecards (mostly using only financial KPIs) and rolling forecasts. Both tools are widely known among Ukrainian practitioners but without any connection to Beyond Budgeting framework.

Decentralization. The main skepticism repeated by some of Ukrainian specialists and practitioners in Beyond Budgeting topics can be summarized in a few statements. First of all, they emphasized that every organization need to establish and to learn traditional budgeting thus it might be a necessary level toward advanced management control systems. Also many practitioners acknowledge that Ukrainian companies need simple, clear, transparent and measurable objectives with tight budgetary control system implementation. Some Ukrainian managers believe that focusing on budget-oriented goals as figures that have to be reached will provide better results than the decentralized adaptive models. And s they explain, not because the latter is worse, and due to the fact that at the level of perception of values, attitudes towards entrepreneurial activity, openness, self-motivation and self-control, Ukrainian society is still not ready to meet these models.

Beside these issues a lot of suggestions and doubts about the possible budget's substitution have been expressed by a number of managers and analysts is in line with the number of recent studies (Libby and Lindsay, 2010; Goode and Malik, 2011). The idea is that Beyond Budgeting is designed as a "perfect model" which is impossible to reach and implement in its entirety. Thus it is more relevant to try to find some "golden middle" between total budgeting and Beyond Budgeting.

5.6. Translation model of Beyond Budgeting

Travel of Ideas model is aimed to show how Beyond Budgeting is transported from one place to another (from Scandinavian countries to Ukraine) and also to answer the questions about the level of Beyond Budgeting adoption and degree of resistance to this innovation and about the form the concept took in Ukrainian organizations. Researchers when studying diffusion of different management innovations came to the conclusion that the main factor that influences the rate of resistance and acceptance is a cultural peculiarity (Westphal, 1996; Joshi, 2001; Ax and Bjørnenak, 2005; 2007; Hammer, 2010). Different countries react differently on the same innovation, which reflects in a level of risk acceptance, conservatism and overall innovativeness when adopting new techniques or models. Among the barriers distance between sender and receiver also often considered (Lillrank, 1995). At the same time, it is not a physical notion and technology can mostly solve this problem. Rather cultural, linguistic and mental distance should be taken into account as more influential factors (Ax and Bjørnenak, 2005).

However, one of the key findings in these studies is that cultural boundaries can only influence a rate of adoption but can't stop the diffusion process.

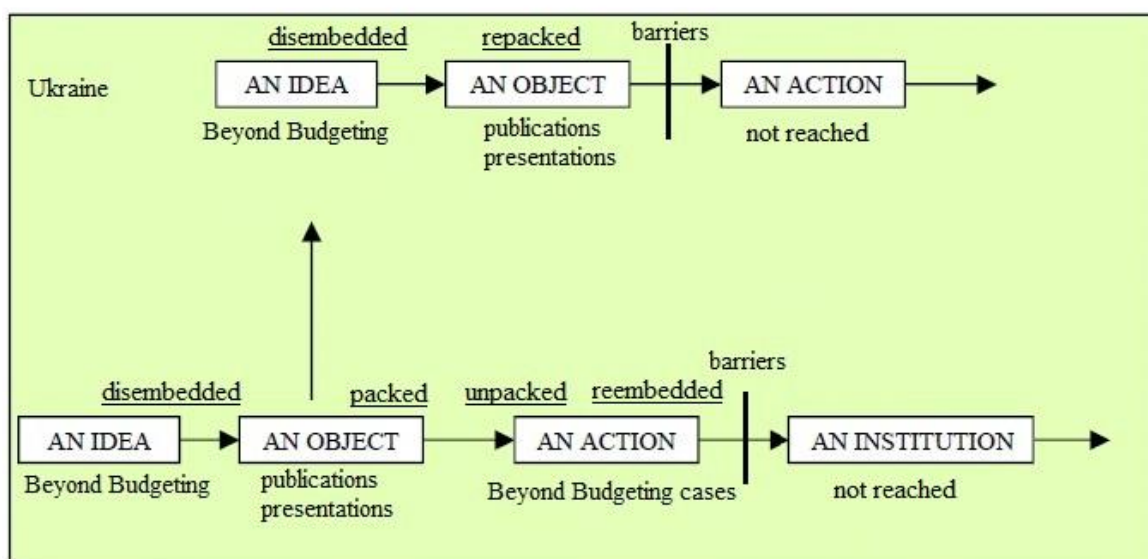
With regard to the last point in the model, a final destination perceived as an institutionalization of the practice, even the founding fathers and the most influential promoters of Beyond Budgeting recognize that this concept is a journey that does not have a clear, predictable, established final point, with identical results (Hope and Frazer, 2003; Bogsnes, 2009). They did claim, however, that organization goes Beyond Budgeting only when getting adopted all 12 principles. Nevertheless, this Thesis relies on theoretical background of Travel of Ideas approach, which, in turn, implies a different outcome of the same idea implementation on different locations. One the key statements made by Scandinavian institutionalists is that idea don't circulate because of its powerful but rather getting powerful during the circulation. And this power is launched by those who transports and promotes the idea and on how it was packed and timed (Sahlin and Wedlin, 2008). This perspective makes mediators and adopters the most influential actors in Beyond Budgeting defining.

Like Bjarte Bogsnes explained the form Beyond Budgeting took in Statoil, inside Norway: «*Ambition to action – is a kind of hybrid between Balanced Scorecard and Beyond Budgeting model* (Bogsnes, 2012)». He acknowledge implementation process as one that may vary significantly from company to company and puts

forward only one condition to be met when choosing and adopting Beyond Budgeting principles: it must be a combination where both leadership and process principles are present (Bogsnes, 2009).

5.6.1. Travel routes and editing process

Translation model conceptualized and presented in Picture 5.1. is aimed to show where the concept came from, how it was translated and what barriers it has faced. For the starting point Handelsbanken and Borealis cases have been chosen as a two not linked with each other and those that are perceived as one of the most famous Beyond Budgeting pioneers. Their experience and achievements have been scrutinized and documented in all details by many researchers, especially in Scandinavian countries. Mass media attention is a vital for concept's further dissemination expressed in numerous others translations and adoptions. Handelsbanken and Borealis were presented in press like a success stories and peer companies considered them as a role model and thus wanted to copy them in order to increase legitimacy. A barrier for idea was met when an action didn't turn into institution since a relatively low rate of adoption didn't allow considering Beyond Budgeting as a taken-for-granted. This niche is still reserved as by traditional budgeting used by vast majority of the organizations all over the world (Libby and Lindsey, 2010).



Picture 5.1. Beyond Budgeting translation model (based on Czarniawska and Joerges, 1996).

Then idea moved to different social and cultural context – in Ukraine. Being previously disembedded in order to travel it had landed in new institutional field and became an object of another translation, this time by Ukrainian scholars and practitioners through academic and professional journals. In terms of repacking, Ukrainian press contextualized the idea to make it fit to local context and norms but didn't omit these prerequisites when explaining and narrating Scandinavian roots of this innovation. They with no doubt followed particular "editing rules" (Sahlin-Andersson, 1996; Sahlin and Wedlin, 2008) in order to make sense to readers, thus potential adopters. Model description and analysis were provided in line with rules of logic, context and formulation and it might have assisted in a positive way for the concept dissemination: Beyond Budgeting many times has been presented as a problem-solving solution for Ukrainian managers. Previous experience of Beyond Budgeting pioneers and the most successful and famous cases have been mentioned but then the concept was reformulated in the light of new, local environment and specific cultural and business difficulties and opportunities.

World Beyond Budgeting practice has been many times consecutively translated from idea to object and then into action, being reembedded in various organizations even though only a small amount of companies really gone Beyond Budgeting fully (Neely et al., 2003). Idea didn't reach only the last destination – institutionalization process. According to management fashion studies, idea has two possible finals – being institutionalized and taken-for-granted or to be faded away (Abrahamson, 1991; 1996). Beyond Budgeting is still on the crossroads and many researchers tries to predict its future and prospects, whether it will be able to repeat success of Balanced Scorecard and ABC-costing or it is too radical to be implemented worldwide.

Beyond Budgeting idea in Ukraine hasn't been translated into action therefore it can't be perceived as a fad or fashion. It is still an idea that has been handled by academics and practitioners in Ukraine; it was translated and reframed according to

local circumstances and institutional contexts. At the same time all fundamental and vital for correct understanding and implementation aspects have been saved and delivered to target audience. Since the concept had been presented in publications and presentation the way similar to western experience, Ukrainian press can't be blamed in this failure. The reasons for non-adoption will be discussed in next subsections.

5.7. Issues on plasticity and identity rose in academic circles and comparison with data gathered in Ukrainian sources

Becker et al. (2010) raises a problem of too much plasticity of the concept. This characteristic can trigger a broad diffusion since potential adopters can not only see the benefits for themselves but also be able to recognize their own way to translate and interpret an idea. This is what management fashion researchers call interpretative viability (Benders and van Veen, 2001) and this is what helped with BSC (Ax and Bjørnenak, 2005) and ABC (Jones and Dugdale, 2002) diffusion and further adoption. Consequently, this is what is considered as a factor which can make Beyond Budgeting no longer recognizable as one and the same idea after being translated and edited (Becker et al., 2010). Too much plasticity of the innovation thus can lead to unique identity losing and further losing of control over the brand. Again, the explanation on why some innovations do overcome a trade-off between identity and plasticity and successfully balance between these two extremes, while others do not comes from its formulation and promotion. Since it is not a “toolbox” from which to choose some amount of items or a simple change of techniques, but a set of twelve principles and, moreover, the most radical change ever existed in management ideas market and change that implies a whole substitution of management model such an approach can lead to a gap between the original idea and its interpretations. Further, Becker et al. (2010) refer to Beyond Budgeting definition as a “combination of innovations” or “innovation that houses others innovations” (Ax and Bjørnenak, 2007) and remind a Horngren's (2003) remark about Beyond Budgeting as a right context for already existing tools and techniques. It follows that if this context is removed it is no longer Beyond Budgeting case.

Since Beyond Budgeting is full of contradictions it complicates its travels from place to place in many aspects. From the supply-side perspective, it is impossible to put a trademark on this concept in order to keep control over it, like it was done in case of EVA, otherwise, control can be intercepted by those who implement and translate a particular idea or practice (Latour, 1987). Beyond Budgeting founders solved this problem in a way similar to Kaplan and Norton when dealing with an impressive success of BSC: they set a strong association between the concept and their names, remaining personally synonymous with Beyond Budgeting, maintaining the modernity of their framework by developing research on further improvements.

But the empirical data gathered, in particular, literature (both academic and professional) observation and interviews outcomes suggest that respondents of this study and numerous references and reflections in media by various stakeholders showed that it is not difficult to recognize Beyond Budgeting features. Practitioners and scholars in Ukraine strongly associate Beyond Budgeting with de-bureaucratization and improvement of existing budget practice toward more flexibility and efficiency. In other words, this concept can even be promoted and established by brand new label and it still is recognized and acknowledged as Beyond Budgeting.

However Beyond Budgeting didn't presented under any other label: it had been clearly delivered by Ukrainian mediators of the concept using "Beyond Budgeting" signboard. Even though it was often substituted in the titles by more recognizable and understandable definitions, inside the publications it was described as a Beyond Budgeting.

5.8. Formulating Beyond Budgeting status in Ukraine

From the perspective of neo-institutional theory, Ukrainian companies can partly or fully implement Beyond Budgeting in order to improve its long run efficiency and thereby to get a competitive advantage (Malmi, 1999; Meyer and Rowan, 1977). Since there are no concept first adopters in Ukraine (at least officially), the main reason behind the implementation of this innovation is not search for legitimacy but a desire of performance improvement. Thus, Beyond Budgeting implementation can be now considered as a rational choice and organizations that adopt the concept in

Ukraine will be considered as role models and will be imitated by their peers. In this case, mimetic isomorphism will take place (DiMaggio, Powell, 1983). Mimetic process, in turn, will lead to successful dissemination and adoption of Beyond Budgeting among Ukrainian organizations.

Although this study is based on only a small number of interviews, they provide a useful basis for analysis and conclusions about Beyond Budgeting status in Ukraine. All mediators of Beyond Budgeting in Ukraine repeatedly emphasize the fashionable nature of the concept. They have described it as a modern, progressive wave in management practice managers need to be familiar with.

Although there are a lot of evidences that Beyond Budgeting somehow gets into the corporate culture of many Ukrainian businesses, being incorporated in some degree with different principles in each particular case, still, it is not spreading under its official label but occurs intuitively as it shown in this thesis.

5.8.1. Conditions for Beyond Budgeting emergence in Ukraine

I have described a translation process of Beyond Budgeting, showing how academic and professional literature, business schools and conferences interpret the concept, objectifying it in texts and oral presentation which is vital for further unpacking and reembedding by receiving organizations (Czarniawska & Joerges, 1996). However, it is only a half way of the concept travel route (Erlingsdottir and Lindberg, 2005). Although all the preconditions for the concept adoption by Ukrainian organizations have been carried out – Beyond Budgeting cases haven't been emerged and still don't.

Many researchers when discussing applicability of Beyond Budgeting across the world refer to cultural peculiarities, claiming that this concept is rather Scandinavian then European, American or any another. A lot of studies conclude nationality, size or corporate governance as defining factors in terms of Beyond Budgeting applicability. The main argument for Scandinavian predisposition is a crown Beyond Budgeting case – Handelsbanken which has gained a large attention from scholars and business press around the world, not only in Scandinavian countries. And this might be a key reason for Beyond Budgeting presence in a specific country. Scandinavian organizations got their local, domestic case that can be perceived as a

role model that fits their specific context (Tolbert and Zucker, 1983). At the same time, Ukraine doesn't have this first adopter who could have inspired other organizations. Individuals and organizations tend to see a legitimate practice only inside their institutional environment and Handelsbanken is considered by Ukrainians as something very far from their context and unreachable. Ukrainian managers need a successful national case in order to believe in concept applicability and perceive it as a rational and legitimate.

When it is said about impossibility of Beyond Budgeting transfer and emergence in completely different national environment it is only means that this setting doesn't have yet a successful Beyond Budgeting case which could be promoted through various communication channels. Ukrainian "translation agents" (including academic and business magazines, conferences, and business schools) highlighted Beyond Budgeting in the way similar to foreign experience: during the last ten years they provided information about Beyond Budgeting nature, functions, numerous advantages, delivered a detailed analysis of twelve principles, discussed all Beyond Budgeting tools and techniques, including rolling forecasts, BSC, KPIs, benchmarking, decentralization, trust issues, mind-set challenges and explained why it is important for the modern organization in turbulent environment. They frequently mentioned successful cases like Handelsbanken, Borealis, Statoil, listed all their benefits gained after new model implementation. They only failed to show a successful Ukrainian Beyond Budgeting case and that made all their efforts in vain. All rhetoric elements that were used by Ukrainian and Scandinavian media were almost the same in terms of the knowledge and information quality and volume but Scandinavians based their arguments on the fundament of success story, while Ukrainian had to retell the story from distant land.

"The reason for the Swedish dominance is probably because Swedish companies have experimented with budget-less management since Wallander abandoned budgets in Svenska Handelsbanken in the early 70s. Svenska Handelsbanken is the greatest inspiration source for Beyond Budgeting and is listed in every publication in the compilation of literature between 1997 and 2003. Jan Wallander, a Swede, is together with Bjarte Bogsnes, Norwegian, recognized as the two pioneers of Beyond Budgeting." – Hammer (2010:39).

There are however suggestions by different actors, including consultants, that both Handelsbanken and Borealis are no more than exceptions (Becker et al., 2010). It might be so, but a development and dissemination of any management innovation starts from such an exceptional cases. These cases become a role model with a new source of legitimacy and other companies from different institutional contexts imitate them (DiMaggio and Powell, 1983). Sweden and Norway got their “hero-stories” and professional magazines only had to pack it and deliver to their readers. Then a chain reaction of imitation and adoption started in Scandinavia.

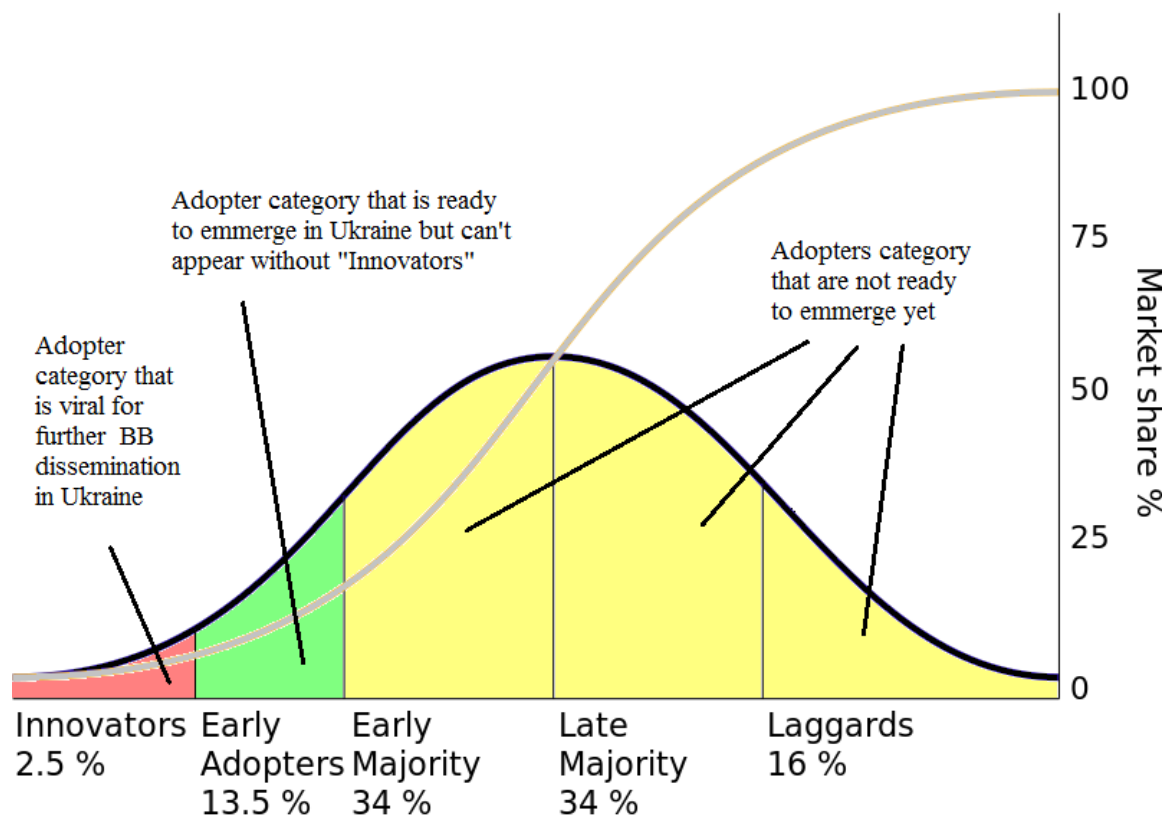
Ukrainian managers need this first adopter, an evidence of Beyond Budgeting applicability in their context. An example of such a desired first adopter emerge provides Bogsnes (2009) referring to Brazilian Semco and there are various other Beyond Budgeting cases in quite unexpected places described in different articles. An interview results and various articles being scrutinized during a literature review also supports an assumption that cultural and business features can't stop a first adopter's emergence since a lot of practitioners are ready for Beyond Budgeting:

«It's [full budgeting abandonment] actually the only Beyond Budgeting principle that is difficult to meet in the nearest future. Most of the companies even when got adopted a wide range of Beyond Budgeting principles will resist to the full budget elimination as long as possible. The rest of the requirements such as decentralization, bureaucracy reduction, rolling forecasts, benchmarking – it's possible to implement and many our companies have already picked and provided a lot of these tools simultaneously». (Respondent 4).

Even Handelsbanken despite of its role as a powerful source of inspiration, has limited effect on peers inside Sweden and Norway (Johanson, 2013), while role model inside Statoil played an important role even for its subunits that needed “*to see the new system in action before they think about the relevance or appropriateness of that system*” (Kaarbøe, 2013b:109) as well as a lack of somebody who “*could pave the way toward a better understanding and use of the new system*” (Kaarbøe, 2013b:109).

Thus, cultural peculiarities can influence a rate of Beyond Budgeting adoption (Milova, 2011; Hammer, 2010; Becker et al., 2010) or the form the concept takes in a particular region or country (Johanson, 2013; Gullmark, 2014), but it is not a factor that can prevent a first adopter's emergence.

It appears that there are no first adopters because there are no Beyond Budgeting cases and the last are absent due to, again, the miss of role models. In order to break this vicious circle, Ukrainian managers need to transpose a Beyond Budgeting from outside Ukraine (Sewell, 1992; Boxenbaum and Battilana, 2005). Those individuals that regularly contact with different and unfamiliar institutional contexts can transpose foreign practices from one field to another. That was a case for diversity management emergence in Denmark in 2000's when it was an absolutely unfamiliar practice in that country when several initiators brought it inside the country in 2002 (Boxenbaum and Battilana, 2005). These initiators worked outside Denmark in close contact with international companies that had a very high-status and were perceived as very legitimate (DiMaggio and Powell, 1983). That was a reason for those managers to internalize a practice, bringing it in the institutional field that was in contradiction with an institutional logic of diversity management. This probably was a case for Nemiroff that operated across the globe from the very beginning of its history. But Nemiroff collected best international practices without its further housing under a Beyond Budgeting label (Ax and Bjørnenak, 2007; Becker et al., 2010).



Picture 5.2. Beyond Budgeting potential adopters categories in Ukraine (adapted from Rogers, 2003).

Beyond Budgeting history in Ukraine could have been completely different if they had declared their Beyond Budgeting journey officially. After that, their experience would have begun to increase popularity and hot media resonance like Handelsbanken did. In this case Nemiroff would become a role model that is attractive for imitation among Ukrainian peers. But without publications and debates around them, Ukrainian professional media, business schools and conference speakers lost their trump card that was used by their Scandinavian colleagues – they had no “success story” to show. Consequently, all further efforts aimed at promoting the concept in Ukraine were doomed to failure since Ukrainian organizations didn’t get an example of success implementation that could serve as a source of legitimacy and efficient-choice confirmation. This issue is also well illustrated by situation with Beyond Budgeting in Germany:

“The first question they would ask is “please tell me three of my peers that also do this”. So this is the killer-argument par excellence. Then if you say “I don’t really know one either’, they will tell you “then I don’t want to be the first one!” (Partner Horváth & Partners, interview in Becker et al., 2010:30)

5.9. Beyond Budgeting model in Ukrainian organizations

Beside the tendency of Beyond Budgeting model to take a different forms in various locations and contexts (Henttu-Aho and Järvinen, 2013) and even inside one particular organization (Kaarbøe et al., 2013b; Sandalgaard and Bukh, 2014) it is furthermore implemented significantly different in various countries (Johanson, 2013; Gullmark, 2014). Therefore there is no point to expect that Beyond Budgeting will be implemented in the more or less similar way across the globe. Management control systems based on Beyond Budgeting principles and philosophy vary fundamentally in the different parts of the world, sometimes challenging the most indisputable components of this concept (Johanson, 2013). Some companies claim

that they gone Beyond Budgeting but at the same time maintain fixed budger targets (Frow, 2010; Sandalgaard and Bukh, 2014) or don't separate forecasts and targets (Henttu-Aho and Järvinen, 2013).

Talking about Beyond Budgeting rate of adoption in Ukraine as well as in the rest of the world, respondents don't doubt about the inevitability of the concept emergence in Ukraine. As one of them states:

«Beyond Budgeting offers a degree of trust relationships somewhere between Japanese model, when people spend all their life in one company, and highly centralized and control-based model taken-for-granted in Eastern Europe. Of course it's only a matter of time when the shift from current practice toward European model will be finally made, especially given the fact that the evolution of business principles in the CIS countries occurs much more rapidly than in the West. This is hard to notice, but nevertheless, we have been for 25 years the way that Europe and the United States were moving the last 100 years. So the main point is that the time for Beyond Budgeting in Ukraine simply has not come yet, but it's inevitable anyway». (Respondent 2).

Since a strong belief in Beyond Budgeting future in Ukraine was expressed both by respondents and scholar and business publicists their reflections can be summarized and presented as a holistic model where a trends and prospects of particular Beyond Budgeting principles and techniques are shown.

Thus, Beyond Budgeting model drawn and conceptualized from the data gathered in this study including primary data (interviews with practitioners) and secondary data (opinions expressed by practitioners and scholars in numerous publications). Obtained results are presented in Table 5.1.

<p>Beyond Budgeting principles</p>	<p>The likelihood of successful implementation</p>
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Values - Bind people to a common cause; not a central plan.	Optimistic
Governance - Govern through shared values and sound judgement; not detailed rules and regulations.	Optimistic
Transparency - Make information open and transparent; don't restrict and control it.	Don't believe
Teams - Organize around a seamless network of accountable teams; not centralized functions.	Sceptical
Trust - Trust teams to regulate their performance; don't micro-manage them.	Sceptical
Accountability - Base accountability on holistic criteria and peer reviews; not on hierarchical relationships.	Don't believe
Goals - Set ambitious medium-term goals, not short-term fixed targets.	Optimistic
Rewards - Base rewards on relative performance; not on meeting fixed targets.	Sceptical
Planning - Make planning a continuous and inclusive process; not a top-down annual event.	Optimistic
Coordination - Coordinate interactions dynamically; not through annual budgets.	Optimistic
Resources - Make resources available just-in-time; not just-in-case.	Sceptical
Controls - Base controls on fast, frequent feedback; not budget variances.	Sceptical

- Optimistic
 - Sceptical
 - Don't believe

Table 5.1. The likelihood of each Beyond Budgeting principle successful implementation in Ukrainian organizations.

Information presented below summarizes all barriers and discourses Beyond Budgeting can face in Ukrainian organizations. Many practitioners in various publications during the last ten years as well as interviewees in this study have been

emphasized these problems as those Ukrainian managers would have to collide in most of the cases.

Discourses that can emerge in Ukrainian Beyond Budgeting model
More financial-oriented KPIs
Shift toward more tight control and top-down hierarchy
Use of dynamic, rolling forecasts together with annual budgets (maintaining planning and forecast integrally)
Shift toward process principles and marginalization of leadership values
Resistance among employees
Betrayal of trust

Table 5.2. Discourses that can emerge in Ukrainian Beyond Budgeting model (based on Ukrainian practitioners and scholars opinions).

5.10. Summary

In this chapter all empirical findings have been interpreted and analyzed in the frame of theoretical approaches chosen. During discussions presented translation process and discourses performed by all mediators and carriers have been outlined and examined as well as a debates about Beyond Budgeting diffusion and rate of adopted have been raised again and extended by the findings from this thesis. Absence of Beyond Budgeting cases in Ukraine was explained basing on Scandinavian experience and several insights from diffusion of innovation theory. After all, Ukrainian Beyond Budgeting model has been conceptualized and formulated as a reflection of local practitioners and scholars opinions and perceptions expressed in numerous publications and from primary data gathered.

6. Conclusions, contributions and implications

The main aim of this thesis was an exploration and formulation a Beyond Budgeting status in Ukraine, answering a sub questions that could extend a knowledge and understanding of form this management concept taken in new location. The data collection and research process were consisted from different parts and were based on data from print business and academic magazines, interviews, findings from internet, in different words, all available sources of information had to be a part of literature review and further analysis.

In first chapter I have formulated a research problem and three sub questions that were answered in analytical chapter relying on theoretical framework and empirical findings and in the next sections I will summarize all conclusions made.

6.1. What's already known about Beyond Budgeting in Ukraine and what's the way this concept is understood in Ukrainian academic and business fields?

In order to answer this question a comprehensive literature review was conducted as well as interviews with practitioners were obtained. In total, 22 articles from professional journals, 20 scholar articles and 12 business conferences were found and four interviews conducted. The first impressions gained from the information received were about a level of knowledge and understanding of the topic Ukrainian scholars and practitioners demonstrated. In their publications they provided huge volumes of information, including budgeting criticism, advantages of Beyond Budgeting and disadvantages of traditional management tools and systems, 12 Beyond Budgeting principles, foreign practice and a lot of other issues addressed in western Beyond Budgeting literature. The first discourse found dealt with the articles titles: authors in the vast majority of cases didn't put "Beyond Budgeting" in the article titles, replacing it with more familiar for local readers associations, like for example, "non-budgeting management", "performance without budgets" or "new management model without budgets". They put catchy titles forward but explicitly explained and discussed a meaning and attributes of the concept inside their articles.

However, professional journals provided a grounded analysis and practitioners' thoughts about the applicability of this innovation in Ukrainian business and cultural circumstances while scholars have limited themselves with concept description. They didn't make any assumptions and conclusions about Beyond Budgeting prospects in Ukraine and focused solely on information deliverance. At the same time their presentation of Beyond Budgeting philosophy and principles was shifted from leadership subset to process principles which received much more attention. Also academic writers made a significant emphasis on a range of administrative tools like Balanced Scorecards, Rolling Forecasts dedicating most of their attention to these issues. On the other hand, practitioners captured a human-side of the concept and discussed mostly leadership principles and importance of mind-set changes among the employees and management teams, thus, introducing readers with the essence of the Nordic Beyond Budgeting model (Bogsnes, 2009; 2013). Many authors suggested and some of them claimed that Beyond Budgeting is inevitable and its emergence and further dissemination in Ukraine is only a matter of time. Business schools and conferences also delivered all available Beyond Budgeting information to the audience: many conferences among other topics announced "Beyond Budgeting in Ukraine" discussions while many business schools put it into a study program.

Summing up, Beyond Budgeting is well-known among Ukrainians practitioners as well as this management model is a subject of publications and presentations during the last ten years. A number of scholarly articles increase every year and the concept's emergence in business media is still sustainable and it doesn't decline.

6.2. Are there any examples of BB implementation in Ukrainian organizations? If no, what are the reasons of non-adoption?

Obviously, when the research was on the planning stages and methodology of data collection and type of sources needed were not decided yet, an existence of Beyond Budgeting case was unknown. The main aim of this thesis was to gather all available information about the concept contained in Ukrainian printed and web sources as well as to formulate a Beyond Budgeting status in Ukraine. Therefore, a relying on secondary and primary data it was still possible to answer the research questions even without Beyond Budgeting practical example. Later, in empirical chapter this

case was presented but after all it wasn't taken into account when Ukrainian Beyond Budgeting model was conceptualized and discussed. The reason is that Nemiroff didn't declare their Beyond Budgeting journey, thus, officially it wasn't a part of BB knowledge in Ukraine and it had never been presented in media as a part of Beyond Budgeting movement. Therefore, it can't be considered as a concept disseminator and as power that can influence an emergence or rate of adoption of Beyond Budgeting.

One of the main findings of this thesis is an assumption about a vital role of a first adopter. It was suggested that the absence of Beyond Budgeting case in Ukraine had triggered a dilemma when organizations don't implement Beyond Budgeting because they have no local role model which they could identify themselves with and the same time this first adopter can't emerge due to this reason too. Successful foreign examples can't serve as a source of imitation because cases like Handelsbanken or Borealis don't belong to same institutional field as Ukrainian organizations. Actors involved in concept translation in Ukraine couldn't show a national success story like Scandinavian authors did. Ukrainian managers think that what is possible to achieve in Sweden or Norway has no proves that it can work in Ukraine. Nobody wants to be a first adopter of such a risky and complex management model that in addition has no clear implementation rules and principles. In case of Balanced Scorecard that got a wide popularity among Ukrainian organizations Beyond Budgeting can't be promoted as an easy-to-implement tool that doesn't lead to serious and dramatic consequences in case of failure.

A possible solution to this dilemma is a transposition approach. Beyond Budgeting can repeat a Denmark experience of diversity management import as management that work in crossroad institutional fields can consider a foreign practice as a legitimate and transpose it from its former context to the new location. Since among different institutional logics in one social context there is a one that dominate (Dobbin, 1994; Schneiberg, 2002), this close work with foreign practices and ideas can trigger a managers decision to transfer innovations across different fields with new institutional logic acceptance (Brint and Karabel, 1991). Thus, in order to see an efficiency and legitimacy of unfamiliar practice manager should learn it from inside instead of the distant presentations of Handelsbanken case or other successful stories from faraway countries.

6.3. What is an attitude towards Beyond Budgeting in Ukraine?

It was found that academics and practitioners respond to the same management knowledge differently which is in line with some previous findings (van Helden et al., 2010). If scholars aimed to conceptualize Beyond Budgeting theory and contribute to the internal management control research, practitioners interpreted all available information from the perspective of Ukrainian business practice and cultural peculiarities, generating conclusions about the innovation applicability in Ukraine.

At the same time various studies conclude that academic fields rarely play significant role in management ideas and practices dissemination (Spell, 1999; 2001; Ruling, 2005; Nijholt et al, 2014), since “most, if not all of them are written by scholars and for scholars only” (Mazza et al., 2005: 127), thus, forming a circle of circulating ideas from which the idea rarely breaks through and travel toward potential receivers and adopters. Malmi and Granlund (2009) claim that knowledge from academic fields doesn’t always applicable in managerial practices. These assumptions are supported by empirical findings from this thesis. Professional media and conferences made a decisive contribution to perception, understanding and attitude towards Beyond Budgeting in Ukraine. These actors transported and edited a western knowledge and experience about the concept and shaped its attitude by various comments, suggestions and conclusions about its nature and prospects outside Scandinavian countries.

A general opinion among practitioners varies between positive perception and optimism towards Beyond Budgeting applicability in Ukraine and more skeptic and careful suggestions about its ability to work in such a different business, political and cultural context. Most of them however believe that even leadership principles can be fully met by domestic managers as well as mind-set issues can be solved successfully.

6.4. Suggestions for the further research

Management control and accounting innovations diffusion continue to be an attractive topic for researchers. Many studies aim to capture and interpret patterns of adoption rate and changes innovations going through during every new translation and implementation. Beyond Budgeting being not an easy concept for spreading across different national and cultural contexts needs more qualitative researches in different locations in order to explain better how its attributes and features influence a rate of adoption. This thesis addressed Beyond Budgeting dissemination in one particular country showing how management model typical for one cultural context is perceived and interpreted in quite different institutional field and what barriers has it met. In order to pursue the subject further the future studies can continue this type of researches by exploring Beyond Budgeting emergence in other countries also not typical for this concept. Issues of idea carriers and mediators influence could be addressed in future studies as well as approaches taken for the concept promotion among the practitioners and academics. It is also would be desirable to study Beyond Budgeting evolution in different countries from the fads and fashion perspective for better understanding the drivers of diffusion process.

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Appendix 1. Beyond Budgeting articles found in Ukrainian scholar journals

	Title of an article	Author and Year of publishing	Name of journal / topics considered
1	Перспективи використання сучасних моделей бюджетування у вітчизняних банках	Зайцева, 2013	<i>Бізнес-інформ</i>
2	Розробка методів управлінського обліку на підприємствах	Брюханський, 2014	<i>Облік і аудит</i>
3	КЛАСИФІКАЦІЯ ІНСТРУМЕНТІВ КОНТРОЛІНГУ	Григораш, 2010	Світ фінансів (Тернопільський національний економічний університет МОН України)
4	Beyond Budgeting – модель фінансового управління XXI століття	Буратчук, 2012	<i>Kiev National University's Bulletin / all economics' fields</i>
5	ПРАКТИЧНИЙ ДОСВІД ВИКОРИСТАННЯ МЕТОДІВ УПРАВЛІННЯ ПІДПРИЄМСТВОМ В УМОВАХ ДИНАМІЧНОСТІ ЗОВНІШНЬОГО	Шпонька, Нікітін, 2014	Актуальні проблеми економіки

	СЕРЕДОВИЩА		
6	ПИТАННЯ ЩОДО УДОСКОНАЛЕННЯ СИСТЕМИ БЮДЖЕТУВАННЯ НА ПІДПРИЄМСТВАХ УКРАЇНИ	Поліщук, Філімонов, 2012	Вісник Харківського державного економічного університету
7	Фінансовий контролінг у системі управління комерційним банком: зарубіжний досвід	Кандиба, 2010	Вісник Луцького національного університету
8	ІННОВАЦІЙНІ БІЗНЕС- МОДЕЛІ БАНКІВ ЯК ВІДПОВІДЬ НА ВИКЛИКИ ТА НАСЛІДКИ ФІНАНСОВОЇ КРИЗИ	Пантелєєва, 2012	Фінансовий простір
9	Особливості концепцій бюджетування та їх класифікація	Проць, 2014	Інвестиції: Практика і досвід
10	Аналіз бюджетного управління на підприємстві хімічної промисловості	Гудзь, Науменко, 2013	Бізнес-Інформ
11	Технологія бюджетування як інструмент управління виробництвом цукрових буряків. Проблеми економіки	Бірюк, Король, 2013	Фінансовий простір
12	РОЛЬ БЮДЖЕТУВАННЯ В УПРАВЛІННІ	Медвідь, Харинович- Яворська, 2014	Проблеми економіки

	ТОРГОВЕЛЬНИМ ПІДПРИЄМСТВОМ		
13	УПРАВЛІННЯ ВИТРАТАМИ ТЕКСТИЛЬНИХ ПІДПРИЄМСТВ НА ОСНОВІ БЮДЖЕТУВАННЯ	Гончаров, Орлов, Гавриленко 2014	Вісник Національної Бібліотеки ім. Вернадського
14	Послідовність впровадження системи ключових показників діяльності як інструменту в управлінні торгівельними мережами	Тарасюк, 2009	Вісник Луцького національного університету
15	Поточне фінансове планування в системі управління підприємством торгівлі	Ситник, 2014	Економічний простір
16	Формування податкових бюджетів у промисловому холдингу	Косицький, 2014	Бухгалтерський облік і аудит
17	Бюджетування як інструмент підвищення ефективності управління запасами підприємств	Лисенко, 2013	Науковий вісник Буковинської державної фінансової академії. Економічні науки
18	Бюджетирование как инструмент повышения эффективности управления деятельностью	Мягкий, Мусяенко, Маслова, 2014	Світ фінансів (Тернопільський національний економічний університет МОН

	банка		України)
19	Прогресивні моделі бюджетування на вітчизняних підприємствах	Іванюк, 2013	Науково-Практичний Журнал
20	Механізми бюджетування в умовах кризи	Яровий, 2011	Наукові вісті Національного технічного університету України «КПІ»

Appendix 2. Original Ukrainian-language titles of the professional magazines articles found

	Title of an article	Author and Year of publishing	Name of journal
1	VS Бюджетирование vs безбюджетное управление. Стоит ли компании отказываться от составления традиционного бюджета	Editorial / 2007	&Finansi st
2	Испытание небюджетированием.	Kolisnik, M. / 2007. – №5. –р. 64–71.	HR Magazine Ukraine
3	Продажа предприятия: бизнес-шахматы.	Дмитрий Ковалев / 2006	Compani on
4	Революция в бюджетной традиции	Дмитрий Ковалев / 2005	<i>Compani on</i>
5	Смена приоритетов: Beyond Budgeting	Елена Вороненко / 2007	HR Magazin e Ukraine
6	Вольную финансам!	Author is not specified / 2006	Strategy
7	Сага о контроллинге	Author is not specified /	Strategy

		2006	
8	Отдам в хорошие руки	Author is not specified / 2005	Strategy
9	Управление шиворот-навыворот, или Перевернутая пирамида. Концепция Beyond Budgeting.	Людмила Савицкая / 2004	Управление Компанией
10	УПРАВЛЕНИЕ БЕЗ БЮДЖЕТА (Beyond Budgeting)	<i>Дмитрий Ковалев</i> / 2005	&Finanсист
11	Beyond Budgeting. Страсти по БЮДЖЕТУ	Татьяна Кузнецова / 2006	Управление Компанией
12	Подводные камни современного БЮДЖЕТИРОВАНИЯ	Михаил Колисник / 2006	Управление Компанией
13	РАСЦВЕТ и СМЕРТЬ КЛАССИЧЕСКОГО БЮДЖЕТИРОВАНИЯ, [или Как бюджетирование делает вас беднее)	Дмитрий Ковалев / 2006	Управление Компанией
14	Жизнь за рамками бюджетов [Как адаптировать систему бюджетирования к требованиям внешней среды)	Татьяна Кузнецова / 2006	Управление Компанией
15	Снова о главном: двенадцать проблем бюджетирования	Валерий	Финансо

		Хруцкий / 2013	вый Директо р
16	Жизнь без бюджета. Без бюджетных тисков. Как компания на практике подошла к созданию безбюджетной модели	Александр Мартынов and others / 2012	&Finansi st Финансо вый директо р Финансо вый
17	Beyond Budgeting. Безбюджетное управление: мнение практика.	Роман Борисов / 2012	Директо р Обучени е
18	Бюджетирование. Несколько поводов для ненависти.	Алексей Савин / 2009	Персона ла
19	Финансовые истины	2007	Финансо вый
20	Управление в эпоху турбулентности: новые тренды и тенденции.	2011	директо р Финансо
21	Beyond Budgeting: Успехи которые нам неведомы.	2005	вый директо р
22	Преимущества безбюджетного управления предприятием	2014	Управле ние Компан ией

Appendix 3. Original Ukrainian-language titles and descriptions of conferences.

	Conferences' titles
1	Компания «Украинская экономическая студия». Киев, 2014.
2	1-я Киевская международная конференция "Практика контроллинга". Киев, 2006.
3	5-я конференция AGILE Eastern Europe Киев, 2013
4	Бюджетні дебати клубу Hoteliero. 20.03.2012.
5	Семинар. Построение бюджетного управления. Рекомендации и решения непростых задач при практическом внедрении системы бюджетирования.
6	Конференция клуба «Финанист», Киев, 2005.
7	Відкрита презентація KMBS 22.06.2007
8	Бюджетные дебаты клуба Hteliero. 24.10.2012
9	Особенности формирования себестоимости, прибыли и цены для целей бухгалтерского и налогового учета. 2011.
10	FP&A Club. Kiev, September 2013.
11	FP&A Club. Kiev, December, 2013.
12	Конференция Agile. Киев, март 2015.

Appendix 4. List of the scholar outlets used during a literature review

1. Академічний огляд. Економіка та підприємництво
2. Актуальні проблеми економіки (ВНЗ «Національна академія управління»)
3. Банківська справа
4. Бізнес Інформ (Харківський національний економічний університет МОН України, Науково-дослідний центр індустріальних проблем розвитку НАН України (Харків).
5. Бізнес-навігатор (Міжнародний університет бізнесу і права)
6. Бухгалтерський облік і аудит
7. Вісник Дніпропетровського державного фінансово-економічного інституту. Економічні науки
8. Вісник Донецького державного університету економіки і торгівлі. Серія: Економічні
9. Вісник Інституту економічного прогнозування НАН України
10. Вісник Львівської державної фінансової академії
11. Вісник Національного банку України
12. Вісник Харківського державного економічного університету
13. Інвестиції: практика та досвід (Рада з вивчення продуктивних сил України НАН України, Товариство з обмеженою відповідальністю «ДКС центр»)
14. Інноваційна економіка (Тернопільський інститут агропромислового виробництва Української академії аграрних наук)
15. Наукові вісті Національного технічного університету України «КПІ»
16. Проблеми економіки (Науково-дослідний центр індустріальних проблем розвитку НАН України),
17. Ринок цінних паперів України (Державна комісія з цінних паперів та фондового ринку, Київський національний економічний університет МОН України)
18. Світ фінансів (Тернопільський державний економічний університет МОН України),
19. Світ фінансів (Тернопільський національний економічний університет МОН України)
20. Соціальна економіка (Харківський національний університет імені В. Н. Каразіна Міносвіти і науки України),

21. Учёные записки Таврического национального университета им.
В. И. Вернадского. Серия: География. История. Педагогика. Филология.
Философия. Экономика.
22. Фінанси України

Appendix 5. Nemifoff 's biggest business unit key financial data:

Financial results of OOO "TD "NEMIROFF" (in thous.rubles) for 2009 year:

F1.120 - Fixed assets: 11597

F1.190 - Non-current assets: 82694

F1.210 - Reserves: 576141

F1.230 - Accounts receivable (amounts falling due after more than 12 months after the reporting date): 0

F1.240 - Accounts receivable (due within 12 months after the reporting date): 1056193

F1.290 - Current assets: 1681943

F1.300 - Balance - Total economic resources (assets): 1764637

F1.410 - Share capital: 10000

F1.490 - Equity: 10494

F1.590 - Long-term liabilities: 714103

F1.690 - Current liabilities: 1040040

F1.700 - Balance sheet (liabilities): 1764637

F2.010 - Proceeds (net) from sales of products and services: 5709607

F2.020 - Cost of goods, products, works and services: 5146651

F2.029 - Gross profit: 562956

F2.050 - Profit (loss): -180226

F2.140 - Profit (loss) before tax: 55841

F2.190 - Net income (loss) for the period: 98004

Φ3.200 - Net Assets: 10494

E.01 - The average number of employees in the organization: 236

Source: www.catalogfactory.org

Appendix 6. Interview guide.

1. How did you know about Beyond Budgeting? Have you been looking for additional sources in order to find more about this framework?
2. Did you considered a BB implementation in your organization? (for practitioners only) Did you see reasons to improve or abandon an existing model?
3. Is it possible to implement BB in any Ukrainian company as fully as, for example, Statoil or Telenor did it? Will it be possible in the nearest future?
4. What principles can be incorporated by domestic firms and which ones don't fit to Ukrainian companies?
5. Do they need modification (improvement or dropping some unnecessary elements) to get a chance to be implemented?
6. What factors can make a significant shift toward Beyond Budgeting implementation in Ukrainian organizations?
7. How do you see the perfect management model in Ukrainian firms taking into account business and cultural environment and local challenges?