Constituting performance
–
Case studies of performance auditing and performance reporting

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To Therese
A Word of Gratitude

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Performance is the yardstick by which the quality of individual and collective human effort is assessed. Everywhere, performance shapes the lives of people and organizations according to its logics and demands. The quest for performance has spread to societies worldwide; it has become of central importance for our perception of our activities and our understanding of the world. Such importance calls for reflection within the context of organizations. First, all important social processes are strongly affected by organizations. Second, performance holds a commanding position in organizations (Corvellec, 1995).

This is a thesis about organizational performance. Organizational performance is a central phenomenon in many societies today. It has been argued that we live in a “performance measurement society” (Bowerman et al., 2000, p. 71) in which the desire to gain information about organizational performance is increasing. Researchers engaged in capturing global societal trends have suggested that the increasing demand for information about organizational performance can be understood as part of a cultural rationalization occurring at the global level (Drori et al., 2006; Jang, 2006). This “movement” has been referred to as the global discourse of “governance”. Governance can be translated as the “action or manner of governing” (Drori, 2006, p. 99), but it is a word with new meanings attached to it. The term is closely associated with the notion of “transparency” and “accountability”, and these terms often occur together in a discursive package. In our quest for
a responsible, accountable and transparent society, governmental agencies, schools, hospitals, private firms and private non-profit organizations implement performance indicators, report their performance and are assessed with external scrutiny. Transparency and accountability through performance disclosure have come to be regarded as synonymous with “good governance” in organizations and in nation-states and are associated with a well-functioning democracy.

Thus, if “performance” is so important, what is it? How can this concept be understood? Let us begin with the concept of accountability. Accountability may in its simplest sense be understood as social relations invoking the demanding and giving of reasons for conduct, i.e., relations where actors are required to account for their actions (Roberts & Scapens, 1985). In Corvellec’s (1995) doctoral dissertation on “narrative features about organizational performance” he explains performance as a matter of communicating an organization’s actions or the results of those actions. From this perspective performance is an important ingredient in accountability relationships. Performance scrutiny and performance reporting supposedly make organizations transparent (Strathern, 2000) and accountability relationships possible. In the discourse of governance and in reforms for increased and “better” governance, disciplines of organizational performance scrutiny and performance reporting are perceived as playing central roles (Drori, 2006).

In this thesis I adhere to Corvellec’s (1995) broad definition of performance. My ambition is to relate to the idea of performance rather than end up with an ostensive definition of this phenomenon. From this view, to study organizational performance is to study how actions in organizations and the results of those actions are represented in, e.g., a performance report. This thesis is based on case studies of two disciplines for creating such representations that have been described as being at the core of governance reforms: accounting.
and performance auditing (Gendron et al., 2007; Jang, 2006; Pollitt et al., 1999; Power, 1997; Radcliffe, 1998). More specifically, the thesis is based on two case studies of performance reporting in a Swedish central agency – the Swedish Energy Agency (SEA) – and two case studies of performance auditing carried out by the Swedish National Audit Office (SNAO). The four studies have resulted in four papers which are presented in the four chapters following this introduction.

This thesis is the result of my PhD education, which means that it is the end product of a four-year research process. In this introduction chapter, I will elaborate on some of my considerations and thoughts about my research process as well as the papers resulting from this process. Although the papers can be read independently from one another, I will bind them together and relate them to an overall aim. This means that I will provide the reader with a certain meta-reading of the studies, i.e., the studies will be read from a certain theoretical perspective – accounting and performance auditing as *technologies of government* that enable “government at a distance” (Miller & Rose, 1990, p. 9). This, however, is merely one of many possible readings. I believe that there are as many interpretations of these papers as there are readers, and the reading I provide in this chapter is but one of many.

Naturally, these papers are no place for reflection about the process through which they came about. Therefore, in this chapter, I attempt to take the reader “behind the scenes” of the papers discussing what Goffman (1959/1990) refers to as the “back stage”. This exploration of the backstage is my way of communicating what I have done during my four years as a PhD-student and what this has led to, which of course also means that this exploration is an act in which I constitute my own performance. However, this is my attempt to provide information that the reader could not obtain by merely reading the papers and to involve the reader in the making of the papers. I will elaborate
on the methodological choices I have made, the consequences of these choices and the process of theorizing (the interplay between theory and empirics) I have invoked that have resulted in the four papers. My theoretical approach toward accounting, auditing and organizational performance has evolved during my PhD studies and the papers reveal this evolution. I will also introduce the reader to the development of performance management in the Swedish central government and the two case organizations, the Swedish National Audit Office (SNAO) and the Swedish Energy Agency (SEA). This is the empirical setting in which have spent the last four years studying organizational performance. However, let us first begin with an introduction of my aim with the thesis and the theoretical perspective of accounting and auditing as technologies of government.

**Introduction of the aim of this thesis**

A major recognition in accounting research from the last decades has been that accounting is not reflective but constitutive of social relations in organizations as well as society as a whole (see, e.g., Burchell et al., 1980; Hines, 1988; Hopwood, 1983; 1987). The thought behind this “constitutive turn” (Asdal, 2011, p. 1) in accounting studies is that accounting can shape how certain aspects in organizations are understood and what is regarded as significant in an organization. Accounting can be understood as a means to influence and intervene upon individuals, entities and processes to transform them to achieve specific ends. From this perspective, accounting cannot be regarded as a neutral device that documents and reports “the facts” of actions in organizations. Rather, accounting is seen as an asset of practices that is intrinsic to and constitutive of social relations and not derivative of and secondary to them (Miller, 1994). In this regard, the notion of visibility is central (Hopwood, 1987; Lukka, 1990). The standards set in accounting against which organizations – and individuals in organizations – report their actions are means to render the actions visible in a certain way. The standards con-
stitute fixed visibilities against which actors not only report what they do, but also compare and judge themselves (Miller, 1994; 2001; Roberts, 1991). Thus, the ways in which organizational actions are reported also have an effect on behaviors in organizations.

Power’s (e.g., 1994; 1996; 1997) recognition that audit is a practice that actively shapes its environment by making auditees auditable is clearly in line with the constitutive view and has brought auditing into this scholarly debate. Power explains that the standards against which auditees’ report their activity are emergent features of audit arrangements. Audits participate in making environments receptive to audit, which means that audits participate in creating the information they are to verify. From this perspective, accounting and auditing are closely related, and what is reported through accounting practices is, at least partly, driven by the audits. To put it simply, the audit drives the reporting and the reporting drives behavior.

The constitutive view of accounting and auditing has become well established in accounting research. However, in its early years, this view broke radically with the view of accounting and auditing as neutral disciplines for reflecting economic activities and providing useful information to interested parties in decision-making situations (Bay, 2012). In accounting studies where this perspective is applied, often referred to as “mainstream” accounting research (Chua, 1986, p. 606; Baxter & Chua, 2008, p. 102), accounting and auditing are viewed as something purely technical that mirror and verify reality rather than constitute it. Thus, the perspective that accounting and auditing are intrinsic to and constitutive of social relations was very different from “mainstream” accounting thought.

To view accounting and auditing as means of influencing ways of thinking and acting is also to recognize that these disciplines can be situated in wider
contexts outside the particular location in which the accounting/auditing practice is taking place. One stream of research in which the constitutive view has been influential is the one that views accounting and auditing as technologies of government that make government from spatial and temporal distances possible (Miller & Rose, 1990, Rose & Miller, 1992; Power, 1994). The idea here is that accounting and auditing generate a representation of “what is going on” in, for example, an organization. This makes local settings “mobile” in the sense that representations of them can travel to places where decisions are to be made about them, also understood as “centers of calculation” (Rose & Miller, 1992, p. 185; see also Latour, 1987). The term “center of calculation” refers to a standardizing subject that collects records and accounts to act on distance others. For example, if a central agency provides a performance report with written texts, numbers, charts, pictures, lists and so on, this report can then be used by its governing ministry (a center of calculation) to intervene in the agency’s conduct in different ways, such as through the reallocation of resources or new writings in the agency’s steering document. Thus, the representation also becomes a logic of intervention. In line with Hacking’s (1983, p. 31) statement that “we represent and we intervene. We represent in order to intervene, and we intervene in the light of representations” (p. 31), a performance report, generated through the practices of accounting or performance auditing, can be regarded as a means to act upon represented activity from spatial or temporal distances.

Based on this idea (as well as Foucault’s notion of governmentality), Miller & Rose (1990) and Rose & Miller (1992) have famously related accounting to political rationalities and political programs. Political rationalities can be understood as an intellectual labor that involves a certain form of thought, a certain way of thinking about the types of problems that can and should be addressed in society. In other words, political rationalities make reality “thinkable” and, in a certain way, apt to formulation, which, in turn, makes it
possible to formulate and identify issues in need for improvements. Miller & Rose (1990) and Rose & Miller (1992) specifically set out to understand the transformation in government often labeled as neo-liberalism or “advanced liberal forms of government” (Rose et al., 2006, p. 92), but this notion of political rationality can be applied to other political ideologies as well. Still, governance reforms and the increasing demand for organizational performance reporting is often associated with liberal forms of government in which notions of transparency and accountability through performance disclosure are central (Corvellec, 1995; Jang, 2006; Lapsley, 1996; Rose et al., 2006).

Miller & Rose (1990) explain that political ambitions “on their own” are rather vague. They concern general ideals and have to be connected to political programs that details how these political ambitions might be accomplished (see also Ogden, 1997; Radcliffe, 1998). Thus, while political rationalities formulate general ideal statements, programs set out the frameworks for action. A program can be understood as a certain rationale for how vague ideal ends are to be achieved.

Even though programs set out frameworks for action, they must still be connected to action. Here, Miller & Rose explain that technologies – such as accounting and performance auditing – play a central role. The term technology refers to mundane, seemingly innocent, neutral and regular features of accounting practice such as various types of notations, time-recordings, methods of standardization and classification, systems of data storage and audit procedures. It is through technologies that political and programmatic ambitions – in other words, the ambitions of “superiors” or “authorities” of some kind – are materialized and connected to everyday organizational conduct. Against authoritative criteria, technologies of government provide mobile traces (such as performance reports) that are stable enough to be trans-
ported from that being represented (e.g., a central agency) to a governing body (e.g., the government) without distortion (Rose & Miller, 1992). This enables centers of calculation to be formed that can act upon distant others, i.e., that being represented. As Miller explains, “whether it is a question of dominating a particular society or economy, or the earth or sky, the mode of operation is similar: domination involves the exercise of a form of mastery made possible by those at a center having a particular type of information about events and persons distant from them” (1994, p. 243; see also, Asdal, 2011). In other words, the program-technology divide is not only applicable to the governance of nation states or organizations in particular societal sectors, but also to large organizations regardless of the societal sectors in which they operate.

Miller & Rose (1990) explain that accounting transcends spatial and temporal distances by rendering organizational activity into a conceptual form, and several studies (e.g., Miller & O’Leary, 1987; Miller & Napier, 1993; Radcliffe, 1998; Rose, 1991; Rose & Miller, 1992; Samiolo, 2012) have shown that accounting and performance auditing are disciplines that create visible, manageable spaces through the use of generic accounting concepts, such as standard costing, efficiency (Miller & O’Leary, 1987) and value added (Miller & Napier, 1993). In particular, accounting numbers and the calculative practices involved in accounting have been regarded to possess an exceptional ability to enable government at a distance. The calculative practices of accounting possess the ability to make organizational conduct not only visible but also calculable and comparable (Miller, 2001; Robson, 1992; Rose & Miller, 1992). In this way, specific actions in specific places are made open for further calculations and the production of ratios, indices and rankings of various types through which intervention and action upon the represented actions is relatively easy.
This informative body of accounting research has shown how political rationalities and programs are manifested in accounting and auditing techniques and has highlighted the importance of these technologies in the wider context of political discourses. Still, the actual operationalization of such techniques in local organizational settings has been less explored. However, this is not the aim of these studies. Most of these studies are carried out on levels of analysis that might be referred to as “programmatic discourses” (Miller & O’Leary, 1987, p. 240) as opposed to understanding accounting and auditing as they are practiced in particular organizations. Rather than addressing the mundane techniques of notation and time-recording, methods of standardization and classification, systems of data storage and audit procedures “in the making”, these studies are concerned with discourses over these mundane technologies and how such discourses are manifested in accounting and auditing practices on a general, conceptual level.

However, this is not to say that these studies have “forgotten” to focus on local organizational settings. They are simply carried out on a different level of analysis and contribute by showing how accounting is a technology that is indeed connected to societal ambitions. Rather than focusing on the efforts carried by an organization to establish performance, the contribution from this stream of literature is supplying researchers with the analytical distinctions – still being crucially interdependent – between political rationalities, programs and technologies. Miller & O’Leary (1987, p. 240) explain that “there is, of course, a considerable play in the mechanism which links the programmatic level with the technological” (see also Samiolo, 2012), which means that there is no absolute fit between political and programmatic ambitions and the technologies of accounting and auditing that can be taken for granted. Nevertheless, Miller & O’Leary continue, “yet it is precisely the looseness of the linkage which makes it important to recall its existence” (1987, p. 240). In other words, it is precisely this looseness that makes us
perceive such technologies as “innocent” and “neutral”, rather than as means to achieve certain ends. However, in my view, the “loose fit” between policy, program and technologies merits attention. From this perspective, the relation between political ideals, programs and the information provided through technologies cannot be taken for granted, and the operationalization of technologies in local organizational settings should not be overlooked. To study how organizational actions and results of those actions are represented and rendered as “performance” in the practices of accounting and performance auditing, is to study what supposedly makes “government at a distance” possible.

In this thesis, I adhere to the constitutive view of accounting and the view of accounting and auditing as technologies of government. These are the perspectives through which I read the four case studies in this introduction chapter and the scholarly debate to which I attempt to contribute through this reading. However, the fact that I attempt to make contributions to this scholarly debate also means that I take a critical stance in some respects. When the operationalization of technologies and the creation of representations of organizational actions are left out of the analysis, the reader might be left with the impression that “performance” is something stable and unproblematic that can be understood by merely studying its relations to political discourses. However, as the papers in this thesis show, performance is far from a straight-forward concept, and by studying how it is constituted, i.e., how organizational actions and results of those actions are rendered as “performance” in a performance report, we can learn more about this phenomenon and also extend our knowledge of accounting and performance auditing as technologies of government. Miller (1994, p. 2) does acknowledge that when accounting concepts come into contact with “the specifics of concrete practices, they often operate in ways that are discrepant with their original de-
signs”. However, the forms that these “discrepant ways” might take are not explored.

As stated by Bay (2012), taking a critical stance on a certain stream of research does not strictly imply a dismissal or rejection of the ideas under scrutiny. The ambition of this thesis is much more modest than that. The aim of this thesis is to problematize how and under what conditions performance is constituted in the practices of accounting and performance auditing.

The Swedish central government – my empirical site for studying the constitution of performance

As mentioned above, the empirical studies on which this thesis is based were carried out in the SNAO and the SEA. Similarly to central governments in many other countries, the demand for information about “performance” has gradually increased in the Swedish central government. Two central technologies that are used to satisfy this demand are the central agencies’ annual performance reporting and the performance audit carried out by the SNAO. In this passage, I will first provide a brief historical view of the developments of performance management in Swedish central government. I will then continue with a description of recent developments in performance management (which are also addressed in papers three and four) and descriptions of the SNAO and the SEA where I studied the constitution of performance.

Development of performance management in the Swedish central government

The Swedish central government is relatively unique by international comparisons because it has a history of devolved responsibility for operating matters handled by central agencies with a considerable degree of autonomy. Ministerial intervention is forbidden by law, which means that direct politi-
cal control of agencies is limited. None are allowed to intervene and affect the conduct of a central agency in individual matters or in the agencies application of laws, not even the government as a collective (Ahlbäck-Öberg, 2011). Nevertheless, the development of performance management in the Swedish central government exhibit similarities with governance reforms reported from several other countries, commonly labeled new public management (Hood, 1991; 1995) in the public sector, taking shape under the rationality of the liberal art of government (Rose et al., 2006). Despite the relative autonomy of Swedish central agencies, the main argument for reform was the need to reduce detailed political control to remove constraints on managerial freedom in the central agencies (Modell, et al., 2007).

The Swedish central government applies a management philosophy commonly known as management by objectives. Using the terminology of Miller & Rose (1990), management by objectives can be regarded as a “program” in its own right, a framework for action within the central government for the realization of specific political and programmatic ambitions. It is basically “a way of governing through self-government” (Asdal, 2011, p. 4). Government is exercised indirectly (at a distance) by requiring that certain ends are achieved. The central agencies are in principle free to choose their own procedures to achieve the given ends. The basic idea behind this is that political activity and the activity of civil servants should be kept apart. Politicians should devote themselves to politics, which means that they should formulate goals, objectives and guidelines for their administration. Civil servants should devote themselves to administration; they are to decide what means to use to achieve the desired political goals. Therefore, politicians should, as far as possible, delegate decisions in both operational and administrative matters to the civil servants. In addition to the formulation of goals for all activities in central government, politicians should also devote resources connected to the goals (Sundström 2003; Ahlbäck-Öberg, 2011).
Similarly to many other countries, the focus of the Swedish central government on cost control and value for money has increased. Ahlbäck-Öberg (2011) suggests that the development of management by objectives was a result of an increased focus on value for money, and with the introduction of this management philosophy, the emphasis on ex post control increased. The introduction of management by objectives is commonly dated to the end of the 1980’s (see, e.g., Modell et al. 2007; Mundebo 2008). Sundström (2003), however, argues that it can be traced back to the 1960’s, when ideas about public management from the USA were introduced in the Swedish central government.

The development of management by objectives, a brief historical overview
The public sector in Sweden expanded rapidly during the 1950s and the 1960s which means that the number of employees and the costs in the public sector also increased during this period (Mundebo, 2008). Sundström (2003) explains that the costs for public administration and its efficiency were increasingly debated and the central government was criticized during the end of the 1950s and the beginning of the 1960s for inefficient use of tax money and lack of control of public sector activity. At that time, the central government was characterized by detailed-steering of the central agencies and relatively uncomplicated matters, such as the establishment of new departments at an agency or the movement of certain commissions or personnel from one department to another, had to involve both the government and the parliament. In short, the central agencies’ authority to make decisions was delimited. This manner of managing the central government was debated and, during the 1950s became increasingly regarded as complicated and inefficient.

According to Sundström (2003), ideas of increased delegation of decision making started to take form during the 1960s. The government and parlia-
ment were to prioritize the formulation of goals for its administration, which would be achieved at reasonable costs. To achieve this, a systematic follow-up of costs and results was required. From the late 1960s onwards these management ideas were slowly implemented in the Swedish central government. During the 1970s and the 1980s “management by objectives” started to take form and by the end of the 1980s it was the official management philosophy of the central government. During this time, the focus on ex post control increased and the task of the agencies to account for their results as a basis for decisions in the government and in the parliament increased. In 1987, an annual performance report to the government became obligatory for all central agencies in addition to their annual financial statement. In 1991, this was replaced with a fully-fledged annual report that contained both the central agencies’ performance reportings and their annual financial statements. The main steering document was an annual appropriation letter, which consisted of two parts; one part being concerned with the budget and the other being the government’s statement of the agencies’ objectives and the agencies’ report requirements for their annual performance reports (Modell, 2006; Sundström, 2003). Hence, with the gradual establishment of management by objectives, the demand for performance information increased in the Swedish central government and accounting grew in importance as a technology of government.

The Establishment of the Swedish National Audit Office
In 2003, the SNAO was established with the task and authority to independently carry out both annual financial audits and recurrent performance audits in the Swedish central government. What I in this thesis refer to as a performance audit is a practice with many names. For example, it has also been called an efficiency audit, comprehensive audit, effectiveness audit, operational audit and value for money audit (Gendron et al., 2007).
The basic role of a performance audit is to scrutinize and provide information about public sector conduct, thereby enabling the accountability of public sector bodies for expenditures of public funds (Pollitt, et al., 1999). The establishment of the SNAO was the result of a merger between two predecessors: “Riksrevisionsverket” and “Riksdagens revisorer” (Bringselius, 2008). Before the merger, Sweden was one of a few Western democracies without independent state auditors reporting to parliament. “Riksdagens revisorer” consisted of elected politicians and had strong constitutional support, but limited resources. Riksrevisionsverket, by contrast, was an executive agency under the government and had more resources but weaker constitutional support. With the establishment of the SNAO, Sweden had a new, coherent audit office with strong constitutional support and a mandate for independently conducting performance auditing (Ahlbäck-Öberg, 2011).

The SNAO has the task of producing knowledge about performance in the Swedish central government and reporting this to the Swedish parliament. It also represents Sweden as a Supreme Audit Institution. The SNAO has no authority to carry out sanctions against the auditees; its task is merely to provide knowledge about the auditees’ performance. Thus, although the SNAO has no authority to carry out sanctions, its task is to make intervention and act upon the auditees possible through the performance reports it publishes.

Recent development of performance management in the Swedish central government

The management by objectives philosophy and the annual appropriation directives have been subject of debate within the central government. At the end of the 1990s there was increased interest in central government for information concerning “outcome”, i.e., the impact in society from central agencies’ activities. This interest was reflected in the annual appropriation
letters in which the outcome-related objectives and report requirement started to increase considerably in the late 1990s (Modell et al., 2007). However, as in many other countries (see, e.g., Smith, 1993), the compilation of outcome indicators proved to be challenging for the central agencies and several government agencies choose to replace quantifiable indicators of outcome achievement with broad, verbal descriptions of how operations have effected various stakeholders and society in general (Modell, et al., 2007; Modell, 2006).

One of the intentions with the management by objectives philosophy was to make performance management more long-term than before and decrease the degree of detail-steering. However, the amount of report requirements – regarding both operational matters as well as results in terms of outcome – in the annual appropriation letters have tended to increase, and concerns have been raised that management by objectives merely implies a new mean of detail-steering agency activities. The debate has also concerned the difficulties in connecting financial management and performance management in central government, i.e., difficulties of connecting costs to goal achievement (Statens offentliga utredningar, 2007:75; Sundström, 2003).

In 2006, the Swedish government requested an investigation, “Styrutredningen” (The performance management investigation), with the tasks of assessing performance management in the Swedish central government and providing proposals for improvements. Hence, the investigation could be regarded as a “revision of the program” management by objectives. In 2007 the investigation was completed and its final report, “Att styra staten – regeringens styrning av sin förvaltning” (To govern the state – the governments’ management of its administration) (Statens offentliga utredningar, 2007:75), was published. Here, I will briefly elaborate on the investigation. In papers three and four the investigation is described in more detail.
The investigation established that performance management in the Swedish central government had to change. Account for “outcome” on an annual basis was regarded as too difficult for the agencies; instead, they should provide accounts of how they conducted their assignments. According to the investigation, it is easier to describe the activity in the central government than it is to explain what caused a certain course of events in society. In Corvellec’s (1995) terms, the investigation suggested that the agencies should communicate their actions rather than the results of these actions. Furthermore, the investigation stated that the government needs “information with a reasonably firm character” (p. 230) to be able to govern and that statements about outcome achievement do not fall within this category of information. When the government receives the annual reports, it shall be able to “compile and analyze the information and establish if agency X works or not” (p. 230). Hence, the ability of the government to use the annual report to “govern at a distance” (Miller & Rose, 1990) should increase.

At the time, the agencies’ performance reportings were structured according to a certain “activity structure” with policy areas that were divided into activity areas that were again divided into activity branches (see paper three and four for examples of what this structure looked like). This structure was uniform for all central agencies. The performance management investigation, however, asserted that this structure was dysfunctional. The investigation stated that the activity structure was built on that assumption that there exists an “unbroken chain of end- and means relationships” (p. 255) where the general goals of policies are broken down step by step and transferred into steering signals for an agency, which is similarly implementable for all central agencies.

The investigation underscored that it did not wish to see a uniform management model for all central agencies. Performance reporting should instead be
adjusted to each agency’s particular activity. The investigation established that the agencies are best suited to decide which information provides a “correct picture of their activity” (p. 249). The only common denominator in the agencies’ performance reportings should be that the agencies should focus on their outputs and their relations to costs. Each agency should decide how to define its output, how to connect them to costs and how to present this in the annual report. The only recommendation given by the investigation was that output should reflect “activities of great significance in the agencies’ activity” (p. 251). The activity structure and the part of the annual appropriation directives addressing the agencies’ performance should be removed, and instead, the main steering documents should be the agencies’ instructions. The instructions can be regarded as the agencies’ raison d’être and are long-term steering documents with general statements of the agencies’ missions and functions in society.

In 2009, new regulations based on the investigation came into effect for the central agencies’ annual performance reportings. The new regulations are in line with the proposals made by the performance management investigation. The “performance part” in the annual appropriation letters is supposed to be removed. The main steering document is each agency’s instruction. Each agency is now given the authority and responsibility to decide how to account for performance themselves with guidance from its instruction. The only restrictive element is that the agencies are required to account for their output in terms of volume and cost. It is up to the agencies to decide what their outputs are.

In summary, the performance management investigation can be regarded as a revision of the program management by objectives and an attempt to “bring it back” to its original philosophy of “governing through self-government” (Asdal, 2011, p. 4) and away from detail steering. The main
purposes of the new regulations are to make performance reporting easier for agencies and the annual report more useful for the government. The new regulations for performance reporting imply that each agency is faced with the conceptual demand of output and is to independently fill the concept with meaning. This means that agencies are given the task of independently defining their performances within the framework of their long-term steering documents. The main ambition behind the new regulations is that the performance reporting shall be conformed to each agency’s particular activity. The two papers on performance reporting in the SEA address the agency’s work to define and account for its outputs.

About the Swedish Energy Agency
The SEA was founded in 1998. It is the Swedish central government agency for national energy policy issues and has approximately 350 employees. The agency’s mission is to facilitate the development of the energy system toward economic and ecological sustainability both in Sweden and at the global level. The activity of the SEA is diversified, and the agency operates in various sectors of society to create conditions for efficient and sustainable energy use and a cost-effective energy supply. The SEA is governed by the Ministry of Enterprise, Energy and Communications (MEEC) but also receives assignments from the Ministry of the Environment and the Ministry of Defense. In paper three and four the SEA is described in more detail.

My evolving research approach toward accounting, performance auditing and organizational performance
In the first paper of this thesis, a different approach toward empirics from the following three papers is used. In this and the next section of this introduction chapter, I will explain to the reader my evolving approach toward organizational performance, which will also explain why my approach changed during the research process.
Chua (1986) explains that a change in the approach to empirics gives rise to new purposes for theorizing and different problems to study. In this thesis, it is evident what kind of implications such a change has. In the beginning of my research, my approach to accounting, performance auditing and organizational performance corresponded to the ontological and epistemological assumptions normally ascribed to “mainstream” accounting research (Chua, 1986, p. 606; Baxter & Chua, 2008, p. 102). What characterizes this type of research is the assumption that the “truth” about the world can be found “out there” independently of human consciousness (Baxter & Chua, 2008; Chua, 1986; Lukka, 1990). This approach is closely connected to the distinction between subject (“the knower”) and object (“what is out there”), and knowledge is achieved when the subject correctly discover and reflects reality. When such an approach is applied, it is common that theoretical definitions and categorizations are established beforehand and that the information gathered at the empirical site is recounted in terms of these definitions (Chua, 1986; Ahrens & Chapman, 2006). The implications of such an approach is that accounting conceptualizations such as “input”, “output”, “efficiency” and indeed “performance” tend to be taken for granted and treated as existing “out there” to be discovered by the researcher. In the first study of performance auditing in this thesis (paper one), such an approach is applied. I will elaborate more on this study when I address the process of theorization (the interplay between theory and empirics) in the studies and their main findings and conclusions further below.

However, the PhD process involves constant reading and development and, at least in my case, is far from a straight-forward and linear journey. In my case, my approach to organizational performance changed fundamentally when I came across various social theoretical works categorizable under the broad label of social constructivism (e.g., Schutz, 1967; Berger & Luckman, 1966; Latour, 1987; Goffman, 1974). This caused my research work to take
a new direction. In my view, the main reason for applying a social constructivist perspective is the notion that to understand a social phenomenon such as organizational performance, one cannot take such a phenomenon as given. Rather, to develop our understanding of a phenomenon we have to study how it has become what it is currently taken to be. I interpreted this in my own research in the following way: to develop an understanding of the phenomenon of organizational performance in accounting and performance auditing practices, one has to focus the analysis on the constitution of performance in these practices. As suggested by Lukka, such an approach is useful because it “enables us to better understand the fundamental characteristics of the concepts accounting uses as their socially constructed nature is brought into focus of analysis” (1990, p. 245), which I have since attempted to do in my research work.

This meant that I started to view performance and its entailing concepts, such as “efficiency” and “output,” as intriguing objects of study, rather than analytical resources drawn upon to understand my empirical material. Rather than perceiving them as something that explained what I observed in the empirical field, I viewed them as concepts that needed to be explained. Hence, rather than establishing what performance is (or performance auditing in the first paper of this thesis), I became interested in how performance is constituted. Now I could no longer recount what I saw in the empirics and label it e.g., “efficiency” or “output”. Rather, my task was to organize my studies and my descriptions of what I observed in the empirics to explain what constitutes things regarded as “efficiency” or “output” (Ahrens & Chapman, 2006; Chua & Mahama, 2011). A consequence of this approach was that the seemingly mundane accounting techniques of notation, time-recording, methods of standardization and classification, systems of data storage and auditing procedures, i.e., “technologies of government” (Miller & Rose; 1990; Rose & Miller, 1992; Power, 1994; Radcliffe, 1998), became
intriguing objects of study because they transform everyday organizational conduct into “performance”. Because of this constructivist perspective, I started to engage in constitutive accounting research, which also led to the choice of binding the four papers together with the perspective of accounting and auditing as technologies of government. This perspective is also applied in paper three and in paper four in particular.

To say that performance is socially constructed is not to deny that there are “real” occurrences in organizations that exist regardless of our perceptions and representations of them (Berger & Luckman, 1966; Lukka, 1990). To view performance as a socially constructed representation is merely to suggest that what is understood as performance provides a certain representation of “what is going on” in organizations that could possibly have been different. Representation is an epistemological process, which means that it is constitutive of what we know and how we know it (Webb, 2009). When we represent something, we also create knowledge about that something in a certain way. Representation is made to happen by people in interaction with each other as well as with technologies of representation, such as accounting and performance auditing. If representation is used as a means for intervening upon that being represented, the representation is “real” in its consequences (Hines, 1988).

The process of theorizing – the interplay between theory and empirics

To realize that the phenomenon you study is a social construct that could possibly have been different is also to realize that the research you conduct is a social construct as well and that the knowledge that is produced in the research process could possibly have been different. As shown above, the choice of theoretical approach a researcher makes has a significant effect on how the studied phenomenon is understood and approached. The theoretical interest of a researcher guides her or him when gathering information, guides
the researcher in her or his understanding of “what is going on” at the empirical site and in uncovering what she or he regards as “interesting” and worth writing about. At the same time, empirics play a significant role in the researcher’s decision on what is “interesting” in the theoretical works she or he uses. What the researcher regards as interesting depends on what she or he expects to see, which depends on the pre-understanding the researcher has. This means that the researcher should “embrace the surprises”. When theory fails to explain something in the empirics, i.e., when the empirics contradict theoretical knowledge, theoretical contributions can be made.

To view the role of theory and empirics in this way blurs the distinction between theory and empirics. The implication of this is that theory and empirics are intertwined. The interplay between theory and empirics gives rise to problems to study, around which a researcher can organize her or his description of the empirics. This means that the knowledge about the constitution of performance created in this thesis is generated in an interaction process between the theories that has informed the studies, the information gathered at the empirical sites and the research problem, or, in other words, the process of theorizing (Ahrens & Chapman, 2006; Baxter & Chua, 1998; Chua & Mahama, 2011; Vaivio, 2008).

In my PhD education, I learned that it is possible to distinguish between “method-theories” and theories you engage with in order to contribute to them. Method-theories are used by researchers to understand and interpret what they encounter in the empirics, but they have no intention of contributing to these theories. In this thesis, two works in particular have been used as method theories: These are the micro-sociological works of Latour’s (1987) version of Actor Network Theory (ANT) in paper two and Goffman’s (1974) Frame analysis in paper four. Although these works differ in many respects – Latour, for example, would most likely not be comfortable being
labeled as a micro-sociologist (like Goffman) because he would not want to acknowledge the difference between macro and micro – they share an interest in social micro-processes and are therefore suitable when studying the constitution of performance. Both works are open to the possibility to include non-human entities in analyses. This has made it possible to see things, or “to make things visible”, in the empirics that would not have been possible without these theories. The advantages of using these theories will be further elaborated on below when I address the process of theorizing.

Research methods as “technologies of research”

Thus far, I have explained that the knowledge produced through a research process is the result of the interplay between the theoretical understanding of the researcher, the empirics and the research problem. However, for this interplay to occur, the researcher has to be connected to the empirics somehow. This connection is made through research methods. From the theoretical perspective used in this chapter, the methods can be regarded as “technologies of research” that connect the researcher and her or his theoretical understanding to empirics. Put simply, the methods enable the execution of research. The types of research and knowledge the methods enable are dependent upon the approach taken by the researcher and the interplay between theory and empirics. However, the methods also constitute limitations for the types of knowledge that can be produced. This means that the methods a researcher uses play a significant part in the creation of knowledge. Hence, in the process of theorizing, the methods play a central role.
The process of theorizing and the main results in the studies of performance audits

The process of theorizing in paper one

Before I became a PhD student I was a research assistant and participated in a research project on the SNAO’s performance audits. The main objective of the project was to “illustrate and classify how performance audit is carried out in Sweden” (AES, 2008:1, p. 8). This study also resulted in a published paper that constitutes the first paper in this thesis. The empirical materials consist of the performance audit reports that are official documents published by the SNAO. The reports are the “end product” of a performance audit and primarily follow the structure of a “science report” (Baxter & Chua, 2008, p. 109). In the reports, the auditors state the background to the audit, the purpose of the audit and the questions the audit is supposed to answer. The auditors also elaborate on the audit process and the methods used. Then, the findings are presented, and the reports end with an analysis and conclusions.

In the first paper, I and my two co-authors classify all 150 performance audits carried out by the SNAO between 2003 and 2008. The classification is based on the definitions of performance auditing from the International Organization of Supreme Audit Institutions (INTOSAI) as well as findings in studies of performance auditing in other countries. One aim of the paper is to develop a way of classifying performance audits. Another aim is to explore what a performance audit is in a Swedish context. We develop a classification scheme consisting of eight audit types: economy audit, efficiency audit, effectiveness audit, system audit, administration audit, goal-related audit, policy audit and empirically grounded audit. The different types are also combined with compliance audits.
Thus, our method was to study the audit reports. This paper does not investigate the conflicts, tensions and the ordeals of the constituting process (as papers three and four do). Rather, we establish categories for how performance is presented by the SNAO. One advantage of this method was that we could take on all the audits carried out by the SNAO. As stressed by Gendron et al. (2001), performance audit reports provide a relatively high level of information on the nature of audit work compared to the audit reports of private sector auditors. However, what researchers observe in the reports is dependent on the perspective taken. I will elaborate more on this below.

The classification scheme allowed us to draw lines that separated the different audits from one another. For a report to be classified as an “economy audit” for example, we followed the generic definitions of such audits formulated by the INTOSAI (2004) among others. Thus, such an audit had to be concerned with the following: “the means chosen or the equipment obtained – the inputs – represent the most economical use of public funds” (INTOSAI, 2004, p. 15). Another category was “efficiency audit”, which postulated that the audit had to be concerned with whether “we are getting the most output – in terms of quantity and quality – from our inputs and actions” (ibid). See paper one for how we determined the different audit types and created the classification. In this paper, we also use the input-outcome model to illustrate the three Es. I will come back to this model when I address paper three below.

The type of research approach applied in this first study of performance audits can be viewed as “illustrative in the sense of providing a Weberian “ideal-type”” (Scapens, 2004, p. 259; see also Weber, 1978). An ideal model is applied beforehand, and the empirics are viewed through the lens of that model. Similarly to other “mainstream” (Chua, 1986, p. 606) studies of accounting, we do not problematize the concepts we use in our classification,
such as “efficiency” and “effectiveness”. Rather, we define the concepts beforehand and interpret what is written in the audit reports on the basis of these definitions. The concepts help us establish the boundaries between the performance audits and classify them according to the concepts. The audits that do not fit our classification are labelled as empirically grounded audit. These audits are concerned with adherence to legislation, rules and policies with respect to governmental surveillance, entertainment expenses or external reporting; hence, we suggest that these audits have an orientation towards “compliance”.

Main results in paper one – the constitution of performance in performance audit
What does this paper say about how performance is constituted in performance audit? We can see that there is an understanding of performance in prescriptive performance auditing literature that is expressed in terms of economy, efficiency and effectiveness, or the “three Es”. Although the IN-TOSAI emphasizes audits of the three Es in their performance audit guidelines, a minority of the performance audits are classified as such. A majority of the audits are classified as “extended” audit types, most of which were “system audits” (focusing on control/supporting systems), “administration audits” (focusing on administrative activities including the reporting between parliament, government and central agencies) or “goal related audits” (focusing on the goals that have been formulated or whether goal formulations are clear, unambiguous or contradictory at different levels in an organization) in combination with different levels of compliance audits. The findings in this paper indicate that when performance auditors constitute performance, performance is a concept that refers to many aspects of organizational life. Performance is a multifaceted phenomenon.
From the theoretical perspective of accounting and auditing as technologies of government, another reflection can be made about this study. The classification work we did was also an act of measuring and providing an account of the performance of the SNAO’s performance audit. When we classified the SNAO’s performance audit activity and presented it in terms of eight categories, we also made it visible, calculable and comparable (Miller, 2001). We rendered the conduct of the SNAO into a conceptual form (Miller & Rose, 1990) and hence made action from a spatial and/or temporal distance possible. Our classification made it possible to “act-upon” the performance audits of the SNAO.

This became evident when the report (AES, 2008:1) that preceded the first research paper in this thesis was published. In 2009, a parliamentary investigation of the state audit reform (the reform that involved the establishment of the SNAO) presented their final report (Slutbetänkande av Riksrevisionssutredningen, 2009) (Final report of the National audit investigation). Among other things, the investigation assessed the performance audits conducted by the SNAO. The investigation refers to our report (p. 38–45) and suggests that the SNAO should focus more on economy, efficiency and effectiveness audits. Thus, our report made it relatively easy to act upon the SNAO. Our classification made it possible to talk about a rather complex reality in terms of less or more generic conceptualizations rather than entities of a unique kind (see Espeland & Stevens, 1998). This, in turn, made it easy to provide suggestions for improvements. To improve its performance, the SNAO should provide more audits of the three Es.

This example corresponds to the view of social construction in constitutive accounting research, well expressed by Hines: “if men define things as real, they are real in their consequences” (1988, p. 257). Our report communicated reality and was acted upon; therefore, it may also have played a part in
changing reality. The classification, however, not only made it possible for the audit reform investigation to act upon the SNAO. It also made it possible for me and two colleagues to do so, which gave rise to the second paper about performance audits.

The process of theorizing in paper two
After the first paper was written, we continued to classify the audits executed in 2009 and 2010 in the same way. The audits from these years exhibit a similar pattern to the one we observed in the first paper. That is, a minority of the reports were classified as audits of the three Es, and a majority were classified as system audits, administration audits or goal related audits (hence, according to our classification our report may not have changed reality after all). In the second paper on performance audits, we draw on this classification, but we re-read the audits classified as economy, efficiency and effectives using a constructivist approach. Before I go into the details on how we did this, I will first elaborate on why we did this, i.e., how we found out what was interesting in the empirics we had, the focus of the second paper.

Our point of departure in this paper is that the SNAO – as an independent actor with the task of auditing performance in central government – is an actor that is supposed to provide an answer to the following question: “what is good public sector performance?” As we observed in our first study, when the SNAO constitute performance in their performance audits, performance is a concept that refers to many different aspects of organizational life. Performance is a multifaceted concept and it is possible to disagree about what “good” performance is (see paper two). Nevertheless, as mentioned, prescriptive texts from the INTOSAI (2004) suggest that there are commonalities between the auditees that make the execution of audits of
“economy”, “efficiency” and “effectiveness” which have also been referred to as audits of “substance”, possible (see paper two).

The results of our classification, i.e., that a minority of the reports were classified as audit of the three Es and the majority as system audits, administration audits or goal related audits, corresponds to findings made by other researchers. Several studies have shown that performance auditors tend to execute audits of “systems” rather than audits of “substance” (see paper two). Although we distinguish between a “system audit”, “administration audit” and “goal related audit” in our classification, all these can be understood as “system audits” in this broader sense.

Power (1997) explains this with the notion that audits of systems make performance audits possible, because systems constitute “an auditable surface” of organizations in which criteria for the audits are easily found. When clear audit criteria are lacking, the auditors are left with the challenge of operationalizing performance themselves. However, audits of systems have been subject to critique for not generating information about whether political ambitions and political programs have been achieved or how they have worked (Everett, 2003; Reichborn-Kjennerud & Johnsen, 2011). Similar to the parliamentary investigation of the Swedish state audit reform (Slutbetänkande av Riksrevisionsutredningen, 2009), calls have been made by researchers for a shift in the focus toward audits of “substance” (paper two).

Against this background, what was interesting in our empirical material was not that a minority of the performance audits were classified as the three Es, because this is what you would expect. Rather, what was interesting was that the auditors, according to our classification, actually do audits of the three Es, i.e., audit of “substance”. Consequently, paper two aims to further our
understanding of performance audit by detailing the ways in which performance in terms of the three Es is stabilized so that an auditor can reach judgments and provide opinions about “good” (or poor) performance.

In the second paper we still utilize a document study, but we approach the reports in a different way. In the second study, we single out the reports classified as economy, efficiency and effectiveness. What interests us is how the auditors manage to establish whether the audited activity is, for example, efficient or not. That is, instead of asking: “does the SNAO do efficiency audit?” as we do in paper one, we ask “how does the SNAO go about to establish if an activity is efficient or not?” (Ahrens & Chapman, 2006, p. 831).

Schwartz suggests that the reports – the end product of the audit process – show what performance auditors are “actually doing” (1999, p 513) under the guise of performance audits. This statement is of course arguable precisely because the reports constitute the “end product” or “front stage” (Goffman, 1959/1990) of the audit process. It is not possible to have an opinion about the correspondence between what is going on “back stage” and how this is represented in the reports by merely reading the reports, which illustrates the limits of this research method. However, this method does provide the researcher with the opportunity to elaborate on how the auditors chose to represent what they do and how they formulated their arguments on, for example, efficiency.

When reading the reports, we found that in the process in which performance in terms of the three Es is stabilized, the auditors refer to, or make use of, a vast amount of various entities, such as statements from the parliament or government, laws, established evaluations methods, experts of various kinds and benchmarks (see paper two). It is rare that the auditors express opinions
in terms of good or poor performance based merely on their own judgments without referring to entities outside themselves. To be able to elaborate on this in the paper, we decided to borrow ideas from Latour’s (1987) version of Actor Network Theory (ANT) (see paper two for a more detailed description of ANT). The perspective of ANT allowed us to view the SNAO as an actor that in order to become “important” in the governance of Sweden, has to mobilize other actors to strengthen its claims of good or poor performance. As mentioned, ANT opens the possibility to include non-human actors in the analyses. Therefore, the various entities (e.g., statements from government, established evaluation methods, experts) that performance auditors refer to in the audit reports, can be viewed as actors mobilized by the auditors to strengthen their claims of good or poor performance.

ANT made us realize that the strongest actor and most important ally of the SNAO was the verbal invention of “independence” and that this actor was relevant to our analysis. The linguistic actor of independence makes the SNAO a “Mr. Somebody” (see paper two), i.e., an important actor in the governance of Sweden. Consequently, in addition to reading the performance audit reports, we started to study how the SNAO protects the ideal of independence by examining, e.g., its website and its annual reports.

In summary, the process of theorizing in this paper was a back-and-forth process between the theories we were informed by and the empirical materials we had. The research problem and aim emanated from the interesting finding in paper one that the SNAO actually does carry out audits of the three Es. The realization that the auditors use various entities, or actors, to reach judgments made us choose ANT as a theoretical tool in the paper. This led to the notion of the SNAO as an actor in need of mobilizing actors to strengthen its argument, which was in line with the research method we applied. What we could see in the reports was how the auditors chose to bring
their arguments forward. ANT also allowed us to see independence as a crucial actor for the auditors that needed to be included in our analysis. In this way, we established a “fit” (Ahrens & Chapman, 2006, 826–827) between theory, method, empirical material and research problem that resulted in the second paper of this thesis.

Main results in paper two – the constitution of performance in performance audit

Paper two suggests that although the SNAO presents itself as a “center of calculation” (Rose & Miller, 1992, p. 185), i.e., a standardizing body, and the auditors through its linguistic “ally” of independence have the mandate to establish performance criteria and constitute performance without referring to anything but themselves, the auditors recurrently bring in allies in the audit reports to reach judgments. In rare cases, auditors provide judgments without referring to anything but themselves, and in some cases, the auditors explain that they cannot reach a judgment due to the lack of supporting actors, such as benchmarks. When allies are lacking, the auditors seem to be reluctant to providing opinions of performance in terms of the three Es.

Informed by Latour’s (1987) version of ANT and Power (1996; 1997), we suggest that if the SNAO provides an opinion without a network of allies, it will take on a particular translation of efficiency for example. Such a definition would then make the auditors dependent on that particular idea and, if Power (1996; 1997) is right, affect the way the auditee organizes around the evidence of that particular interpretation. In other words, the auditee would start to make itself auditable according to that particular interpretation of performance, which would affect the auditees’ actions. Independence, then, means to avoid being dependent on a particular idea of performance. By mobilizing allies, the SNAO manages to balance between making judgments of “good” or “poor” performance in terms of the three Es and, at the same
time, protecting the ideal of independence. This, we argue, may also be an explanation to the focus on “system audits” in performance audits.

What does this paper say about the constitution of performance in performance audit? First the paper demonstrates that what constitutes “good” performance in performance audits is far from obvious and straightforward. As we can see in paper two, audits of “substance” require the mobilization of actors to be able to make judgments and present opinions and, at the same time, protect the ideal of independence. System audits, by contrast, are audits in which there exists an implicit or explicit standard for “good management practice” that may be transported and compared over different types of services supplied by the organization or between different organizations (see paper two). Indeed, as Power (1997) suggests, this makes an audit easier to carry out because auditors otherwise have to face the challenge of establishing criteria themselves. One conclusion that can be drawn from this is that for performance to be constituted in performance audit, criteria have to be determined against which an auditee’s actions and the results of these actions can be judged. As also seen in paper three, performance is difficult to constitute without pre-established standards.

Paper two also suggests that pre-established standards, such as general standards for “good management practice”, not only make it easier for auditors to know what “good” performance is, but also make it relatively easy to protect the ideal of independence. The constitution of performance in performance audits does not only depend on the establishment of performance criteria, but also on the linguistic actor of “independence”.
The process of theorizing and the main results in studies of performance reporting

During my time as a PhD student I was connected to a research program examining the development of performance management practices in the Swedish central government. This research program is called “Akademin för ekonomistyrning i staten” (the Academy for Performance Management in Central Government) (AES) and is based on networking between government officials and a large number of government agencies. One of the participating agencies is the Swedish Energy Agency (SEA). When I started as a PhD student, the AES had received a commission from the SEA to develop a model for management and reporting of “outcomes” in society. As a PhD student, I was a part of this project. When I came in touch with the SEA and started to visit them, the agency had just started to define “output” because of the new regulations for central agency performance reporting that came into effect in 2009. Because the agency had just started to define output and this was regarded as important, we agreed that the research project of which I was a part would focus on the agency’s work of defining output, which, as it turned out, also has implications for the agency’s reporting of “outcome” (see paper three and paper four).

Once I began my empirical work in the SEA I started to apply a constructivist approach towards the phenomena of organizational performance. For this reason, the task of defining output in the SEA immediately caught my attention. I was to carry out a study in an organization that was focused on defining its own performance! Who would not be excited? Both paper three and paper four are based on this case. Paper four reports on the case until 2011 whereas paper three reports on the case until mid-2012.
The collection of empirical material

In this study, I needed access to the process of defining output but was not allowed to be stationed at the agency, which excluded the possibility of participant observation (see, e.g., Silverman, 2011). Instead, I decided that my best option for obtaining access to the work of defining output was to conduct interviews with the civil servants involved in the process. I began by interviewing one of my contact persons at the agency, who was also working with defining output. During this initial interview, the respondent suggested other civil servants suitable for interviews, and this continued process yielded additional information (see Ahrens & Chapman, 2006). I came into contact with most of my respondents through suggestions from other respondents. All respondents were involved in defining output. My interviews were semi-structured (see, e.g., Horton et al., 2004) meaning that I had prepared broad, open-ended questions that were guided by my theoretical approach. For example, I asked my respondents to describe the process of defining output, the ways in which they were involved in defining output, the discussions they had about output and whether an activity was easier or more difficult to define in terms of output. I sought answers to the following questions: How did they know what actions to represent and thereby regard as “performance”? How did they establish their performance?

As previously mentioned, one criterion for selecting respondents was the requirement that the respondents must be involved in defining output. Another criterion was that the group of respondents must represent all departments at the agency, as I wanted to know if any particular activity was easier or more difficult than another to define as output. Therefore, some respondents were chosen because they represented a department that I had not previously covered. During the case study period between 2009 and 2012 I made 21 interviews with 16 civil servants at the SEA and three interviews with three civil servants at the Ministry of Enterprise, Energy and Communica-
tions (MEEC), SEA’s governing ministry. I chose the respondents from MEEC because of their perspective on SEA’s activity and the work of defining output, noting that the MEEC received SEA’s annual report. The interview time ranged from 60 to 90 minutes.

The interviews followed a relatively strict procedure. In all interviews, I presented myself as a PhD student from Stockholm University who was analyzing the process of defining output in the SEA. I also explained that this work was part of my doctoral dissertation and would result in research articles. To make the interview as non-intimidating as possible and to encourage my respondents to be as open as possible, I ensured confidentiality in both the report and my academic papers (Horton et al., 2004). With the respondents’ permission, all interviews were digitally recorded. In addition to the recordings, I took notes to ensure that I would not forget any idea during the interview. At the end of the interviews, I asked if I could contact the respondents if I had further questions. Overall, the interviews were carried out in a setting that may be regarded as typical. Equipped with my digital recorder and my notebook, I interviewed the respondents in a room of their choice at their place of work.

In addition to the interviews, I held several “informal” discussions with my respondents. These informal discussions occurred at the coffee machine before or after the interviews, during lunch or during coffee breaks at AES meetings, when I had the opportunity to engage in discussions with civil servants from the SEA and the Swedish National Financial Management Authority (SNFMA). The SNFMA, a central government agency with expertise in performance management, is responsible for the accounting practices in central government. I discovered that the SNFMA plays a central role in the SEA’s work of defining output. In these informal conversations, I typically took notes after the discussions.
Although gaining access to the respondents did not pose a problem, finding convenient times for interviews required some effort. Once I met the respondents, however, they appeared to give me their full attention, for which I am grateful and which I do not take for granted (see, e.g., Hayes & Mattimoe, 2004). At the SEA, I also observed that the interviewees were more than willing to discuss the process of defining outputs. This willingness may have occurred because I was working on a research project funded by the agency and in a subject area about which the respondents were concerned, i.e., the agency’s performance reporting. I came prepared for the interviews with knowledge of each interviewee’s activity, which may also have played a role (Bryman, 2011; Hayes & Mattimoe, 2004). I prepared by reading the agency’s annual reports and other documents on the agency’s homepage, as well as internal documents given to me during the interviews.

The respondents did not appear to be uncomfortable or intimidated by the recording of the interviews. Rather, the respondents were surprisingly outspoken and open about the difficulties they faced. Again, this level of comfort might be explained by the fact that I was working with an agency-funded project. The process of defining output was challenging for the agency, prompting discussions that were sometimes fraught with conflict. Some respondents were critical about the entire idea of output, whereas others regarded the process as healthy because the civil servants had to reflect on “what they actually do”, as formulated by one of the respondents.

As previously mentioned, the empirical work is also theoretical (Ahrens & Chapman, 2006; Chua & Mahama, 2011), which became evident during the interviews. During the interviews, I took notes when I formed ideas using my theoretical knowledge as background. The notes could concern papers I had to re-read such as “read Roberts 1991 again” or “compare instrumental rationality, Townley et al. “ (see paper three) but also included comparisons
with statements from other respondents. Although the interviews are guided by the researcher and her or his theoretical knowledge (Ahrens & Chapman, 2006), I learned that the respondents’ answers also affect how the interviewer reads and understands other research studies. Based on the knowledge obtained in the empirical work, researchers tend to observe new interesting items in other studies. The empirical work demonstrates constant movement between the local and the general and vice versa (Baxter & Chua, 1998).

In methods courses taken as part of my PhD studies, I was given the advice to ask follow-up questions when conducting interviews, requesting that respondents explain, expand or provide details about what they had previously said (see also Bryman, 2011). I found this advice to be useful. Marginson (2004) explains that by asking follow-up questions, the researcher is in a better position to avoid “demand effects” (p. 330) that may occur when the respondent acts in a way that she or he believes will help the researcher or to avoid “expectancy effects” (ibid) that may occur when the information gathered is governed by the researcher’s expectations. Indeed, the most surprising and consequently interesting issues that I encountered were generated by asking follow-up questions. For example, some respondents expressed frustration about an activity that was not included in the definitions of output. When asking why this was important, I received answers such as “their work did not show”, “their funding might end,” or “the government did not get the information it needed” (see paper three). The civil servants’ desire to appear in the annual report surprised me, because several accounting studies suggest, to the contrary, that organizational actors tend to avoid or manipulate such visibility. The interplay between theory and empirics occurred during the interviews, not merely before and after (Hayes & Mattimoe, 2004; Marginson, 2004).
To apply the tactics described above, the researcher must continuously adapt to the respondents’ answers, a demanding task because follow-up questions often lead the interview in unexpected directions. In my view, this phenomenon is a major strength of this method if the researcher is able to focus the discussion around the main area of interest, which in my case was the SEA’s definition of outputs. However, it is not always easy to be present but distant (Baxter & Chua, 1998), i.e., to be present in sight and yet still relate what is encountered to theoretical knowledge by asking the “right” follow-up questions on the spot. Similar to Marginson (2004), on several occasions I came to the frustrating realization that I should have asked questions that I did not. In those cases, it was useful to be able to return to the interviewees through e-mail or telephone and ask those questions.

The questions I asked during the interviews developed somewhat during the study; in particular, new questions were added to the original questions as the process of defining output evolved. When the first list of “output categories” was published in the 2009 annual report for example (see paper three and paper four), the list prompted frustration among the civil servants and consequently became a topic in future interviews.

In addition to the interviews, the informal conversations, the document studies and the conversations by telephone and e-mail, I also participated in four meetings held at the SEA in 2010 to develop the definition of output. Civil servants from the different departments attended the meetings. At the beginning of each meeting, I introduced myself and explained my project, asking for permission to record the discussions and ensuring confidentiality. I recorded each meeting and took notes. During the meetings, I was an observer and did not participate in the discussions. The meetings lasted for approximately 60 to 90 minutes.
As previously mentioned, all research methods have limitations. The main body of my empirical material comprises interviews. In addition to the “demand effects” and “expectancy effects” (Marginson, 2004, p. 330) discussed above, the interview setting can be intimidating for various reasons, and the interviewee may be reluctant to bring certain issues to the “front stage” (Goffman, 1959/1990). The use of different methods is assumed to enable the researcher to reveal possible contradictions between what is being said and what is being done (Silverman, 2011). If the respondents are intimidated by the interview setting, making them reluctant to answer some of the questions for example, contradictions may be found among the interviews, the informal discussions and the observations (Horton et al., 2004; Vaivio, 2008). Although I did not observe any such contradictions in this study, there were instances when the document studies and meetings clarified information that I had not understood solely using the interviews. For example, reading an internal document helped me to realize the impact of the input-output model (see paper three and paper four) that I did not appreciate in the interviews. The impact of this model was also revealed in discussions during the meetings that I attended. The meetings provided valuable additional knowledge about the challenges that the civil servants faced in defining output. In paper three and paper four, I provide quotes from these discussions.

The termination of the field study
In addition to choosing the study’s methods and respondents, researchers face additional choices when conducting a case study. One such choice is when to stop collecting data. How do you know when you have enough material? This ending can be a difficult decision to make because the researcher can often find new interesting aspects in the empirical field (Marginson, 2004). Researchers who use semi-structured open ended interviews and repeatedly receive the same answers over and over again can develop new
questions. In turn, these new questions may lead to new interesting answers, which may lead to new questions to ask and new ways of reading accounting studies, implying that a study could conceivably go on forever. Researchers must identify an appropriate motivation to end a study.

A methods teacher advised that “you stop when you feel that you can make theoretical contributions”. This statement is in line with what Ahrens & Chapman (2006, p. 826–827) refer to as the “fit” between theory, method, research problems and the empirical site briefly elaborated on in the discussion of paper two above. The choices of empirical sites, methodologies, and theories define a qualitative study, but a “good” study does not merely result from those choices. Rather, the end result depends on the interplay between theory, empirics and research problem, i.e., the process of theorizing.

In 2009 and 2010, the work of defining output in the SEA was the most intense, and it was during this period that I conducted most of the interviews. In the end of 2010, the work and discussions about output calmed down significantly, because the civil servants had found a solution on how to represent their work in the annual report. At the same time, based on my empirical material after 2010, theoretical knowledge and comments from peers, I believed that I had something to “say” in the scholarly accounting debate and could make theoretical contributions. I believed that it was possible for me to achieve the “fit” (Ahrens & Chapman, 2006), and I made the judgment that my material was “rich” in the sense that I was able to provide a detailed description of a particular case of the constitution of performance (Ahrens & Dent, 1998).

Thus, during 2011 I reduced my presence at the SEA and devoted more time to writing and analyzing the empirical material I had obtained. I continued to follow the process, carrying out the last interview in the end of 2011. In the
last interviews, I also experienced “saturation” (Baxter & Chua, 1998); in other words I began to receive repeated answers to my questions. In 2012, the SNFMA scrutinized the central agencies’ annual reports as a follow-up to the new regulations for the agencies’ performance reporting, and this report was published in the first half of 2012 (see paper three). I decided that this was an appropriate point to draw the line for the gathering of empirical material for this thesis.

*The process of theorizing in paper three*

Through the process of theorizing I have discussed above, three themes have evolved, which I address in the third paper of this thesis. First, when I realized that the civil servants struggled to define outputs, this finding surprised me. Although much of the accounting literature views “outcome” as highly problematic, the concept of output is regarded as easier to account for. As mentioned above (see also paper three), this result also proved to be the case in the Swedish central government. Thus, the concept of “output” seems to be taken for granted, whereas the situation in the SEA indicated something different. The second interesting issue was the civil servants’ eagerness to be made visible, which contradicts the common notion of visibility in accounting literature. The third issue was that the civil servants were given the task of defining their performances themselves, without any clear standard for performance reporting provided by the government.

*Main results in paper three – the constitution of performance in accounting*

The initial definition of output in the SEA was “output is everything on which the agency devotes time and resources”. Given that this definition would include everything the agency does, the civil servants quickly realized that they must delimit the definition to be able to represent their activity in the annual report. This task became challenging for the civil servants, and they reached a point at which they realized they could not agree on a defini-
tion. The civil servants consulted the accounting expert in the Swedish central government, the SNFMA. The SNFMA provided its definition of output, embedded in the input-outcome model (see paper three).

The intervention of the SNFMA led to the notion in SEA that their activity needed to be quantified and the SEA began to define output on the basis of the definition of output provided by the SNFMA. Based on this definition, the SEA defined its output as everything the agency does that results in visible objects. The result was a representation of SEA’s activity that excluded activities perceived as important both by the agency’s governing ministry and the agency itself. However, because of the civil servants’ eagerness to make the activity visible in the annual report, this activity was represented with extensive narrative statements in addition to the agency’s “outputs”. Although the civil servants realized that the applied definition of output did not work very well, they were not able to extend the definition because of the definition provided by the SNFMA and the input-outcome logic. One reason why it was important to uphold the definition was that otherwise, the civil servants would end up in the initial situation in which they did not have any definition of output at all. Another reason was the fear of negative feedback from the financial auditors, who audit the performance reporting against the SNFMA guidelines.

The process of defining output in the SEA has been rather difficult for the civil servants and sometimes characterized by conflict. Conflicts have arisen on how to define the outputs and the invisibilities created by the applied definition. The labels used in the classification work caused additional frustration.

In 2012, the SNFMA published a follow-up report on the central agencies’ work to define output (Ekonomistyrningsverket, 2012:27). Similar to the
SEA, the SNFMA states that several agencies have had problems defining output and that the results have not been useful to the agencies’ governing ministries. The SNFMA states that the difficulties have been caused by an aggravated interpretation of the new regulations, which has led a struggle by agencies to produce numerical representations of their actions. However, the SNFMA states that nothing in the regulations prevents the agencies from reporting broad output categories with narrative statements that are not quantified. The SNFMA also suggests that if the difficulties continue, the concept of output will be replaced by the term “result” to make the regulations neutral with respect to accounting concepts. The SNFMA also plans to carry out network gatherings and meetings with the central agencies to develop the “frame of interpretation” of the new regulations.

Therefore, what does this paper tell us about the constitution of performance in accounting? As mentioned, the performance management investigation that preceded the new regulations for the central agencies’ performance reporting stated that it is easier for the agencies to describe their activity, which would generate information with a “reasonably firm character”. However, this paper demonstrates that without pre-established performance standards, it can be rather difficult for an organization to describe and represent its actions. Without criteria or standards to judge organizational activity, performance becomes difficult to constitute (compare paper two).

As mentioned in the SNFMA report, the difficulties of defining output in the SEA have indeed been connected to the challenge of representing activity with numbers. However, the initial challenge was not to quantify the activity, but rather to decide what to include in the annual report. Because of these difficulties, the agency contacted the SNFMA, which in turn led to a quantification of the activity. The findings in paper three suggest that for an organization to represent its actions, a distance must be established from the ac-
tions. To represent organizational actions is to create an “abstract space” that can travel to places where decisions are to be made about these actions (Asdal, 2011). When this space is established, a distance is also created from that which is represented (Espeland, 1998; Samiolo, 2012). Without a pre-established performance standard, this task becomes difficult; in the case of the SEA, the standard had to come from the SNFMA. This scenario in turn led to a rationalization of the agency’s activity (the input-outcome model) commonly used in “management by accounting” (McSweeney, 1994, p. 237). This paradigm is also the rationale in which the concept of “output” is normally embedded in accounting. The paper shows that the concept of output is not a neutral or unproblematic concept, a finding that the SNFMA also seems to have realized. Rather, in accounting, the concept is embedded in a specific rationale that affects how “performance” is understood. Thanks to the eagerness of the civil servants to be made visible, the “outputs” were complemented with extensive narrative statements, and the agency’s governing ministry received the information that it required.

Overall, the paper demonstrates that constituting performance is far from a straight-forward process, and that this undertaking can be a rather painful endeavor for an organization. The process of constituting performance can be understood as one that is sensitive to factors such as the establishment of a distance from represented actions, to the fear of the auditors, to the concepts and labels mobilized in the process of representation, to the represented parties’ reactions to the labels and to being made visible in the annual report.

The process of theorizing in paper four

When I began my case study at the SEA, my intention was to write one paper about the case. However, during the process of analyzing my empirical material, I realized that I encountered too many interesting issues to fit in
one paper. Apart from the absence of a pre-established standard, the concept of output and the notion of visibility, another aspect of this case was relevant to write about: the production of accounting numbers.

As mentioned in the beginning of this chapter, in constitutive accounting literature, the calculative practices of accounting and accounting numbers are regarded as having the ability to render complex organizational activities visible, calculative, and comparable, and are thereby regarded as possessing an extraordinary ability to enable “government at a distance”. Miller (2001) also explains that accounting has the ability to transform complex social processes into one single financial figure. However, how is such a figure arrived at? Paper four attempts to answer this question. Although it may not have been the intention of the new Swedish regulations for the central agencies’ performance reporting, the work of defining output in the SEA resulted in one single financial figure of outputs connected to the costs of those outputs. When I noted this finding, I understood that this case was suitable for analyzing the process of representing organizational actions with accounting numbers.

To elaborate on this process, I use Goffman’s (1974) frame analysis. Put simply, this work addresses how humans make sense of “what is going on” around them through social interaction (for a more detailed description of Goffman’s frame analysis, see paper four). One central concern in this work is how something can be understood in one way in a certain social setting yet seen as something completely different in another social setting, and how such a “transformation in frame” is made possible. In my interpretation of Goffman’s frame analysis in my own research, a transformation in frame takes place when a performance report is written. Actions understood in one way in everyday organizational conduct are framed as “performance” in a performance report. In paper four, I examine how this transformation in
frame is made possible when organizational activity is represented with accounting numbers. Goffman refers to this transformation in frame as “keying”, and the entities that make the keying possible are referred to as “cues”.

Informed by Goffman’s work, I noted that to produce numbers open for calculations by others, the everyday activity of the SEA first had to be keyed into quanta. The “cues” that made this keying possible were visible objects. This new way of framing the SEA’s activity (consisting of visible objects) did not suffice, however. The quanta needed to be sorted according to generic concepts. Because of this realization, the frame that consisted of all types of visible objects had to be keyed again, and this time the cues were found in the agency’s instruction. On the basis of the visible objects and the text in the instruction, the civil servants were able to represent their activity with one single financial figure of output. After making this finding, I was engaging in literature addressing quantification with this perspective in mind.

Like paper two and paper three, this study involved a process of shifting back and forth between theory and empirics. What gave rise to the study was my notion that constitutive accounting theory tends to neglect the actual production of accounting numbers. When studying how the agency presented its outputs, I realized that the process of defining output resulted in a single financial figure. Thus, here I had a case in which I could study accounting numbers “in the making”. Informed by Goffman’s research, I was able to understand this process in a certain way, and based on this understanding, I engaged in the studies of quantification.

Main results of paper four – the constitution of performance in accounting
The paper demonstrates that when performance is constituted with accounting numbers that can transcend spatial and temporal distances – which supposedly enable government at a distance – numbers must be made calcula-
ble. For this to happen, the two stages illustrated in this paper are necessary. Quanta must be established, and the quanta must be attached to generic concepts. In the case of the SEA, however, what determined the establishment of quanta was the definition of output provided by the SNFMA, which in turn rendered activity regarded of crucial importance by the agency’s governing ministry and the agency itself invisible. The paper demonstrates that accounting numbers’ capacity to enable government at a distance should not be overestimated.

Although the process of producing numerical representations of organizational action most likely will look different from case to case, I argue that the two basic steps I identify here are general. In the classification work of the SNAO’s performance audits, for example, the quanta consisted of the audit reports, with the reports then attached to the generic concepts we established on the basis of performance audit literature.

Before I present the concluding discussion of this chapter, I will briefly mention the report we wrote to the SEA on the basis of my study. Because of Goffman’s research, I realized that “visible objects” were crucial for defining output. This realization was also one of the main points that we made in the report written to the SEA as a result of my empirical work (AES, 2010:1). Chua suggests that when a constructivist approach is applied, knowledge can be created that highlights the structures and taken-for-granted themes which pattern the world in distinct ways. “[…] The aim of the interpretive scientist is to enrich peoples’ understanding of the meaning of their actions, thus increasing the possibility of mutual communication and influence” (1986, p. 615). I agree with this notion and believe that this type of research approach encourages the researcher to try to see behind what is taken for granted both in theory and in practice (see Chua & Mahama, 2011; Ahrens & Chapman, 2006).
In addition to the role of the visible objects, we also explained the influence of the input-outcome model in the report. The idea was to challenge the current thinking and perceptions of the output reporting at the agency and to encourage reflection regarding this process. The agency demonstrated interest in the report in mid-2012, and I was invited to present its results. The civil servants perceived the results of the report as helpful because the results helped them to identify problems that they had not previously detected. This, in turn, made it possible to continue with the work of defining output without being hindered by visible objects or the input-outcome logic.

If we compare our report about the SNAO’s performance audit with the report provided to the SEA, we can see examples of the two different ways in which the different research approaches can contribute to practice. Whereas “constructivist” research contributes by encouraging reflection about practice and challenging current thinking about practice (Chua & Mahama, 2011), “act-upon” research provide a frozen picture about “what is going on” in an organization, a picture that is relatively easy to use for intervention. This information, in turn, makes it possible for external actors (such as the Swedish state audit investigation) to intervene and influence the conduct of the organization in question.

**Concluding discussion – the constitution of performance in performance auditing and accounting**

In this chapter, I have this far described organizational performance as a matter of communicating organizational actions and results of those actions. I have also described organizational performance as a world-wide phenomenon for enabling accountability relationships that are present in large organizations, regardless of which societal sector they operate in. I have elaborated on my evolving theoretical approach towards the phenomenon of perfor-
mance that led to the choice of the theoretical view of accounting and performance audit as technologies of government in this introductory chapter. I have suggested the Swedish central government’s management by objectives can be viewed as a program through which political ambitions are meant to be realized. Management by objectives is a framework for action based on the philosophy that government is exercised indirectly (at a distance) by requiring that certain ends are achieved. In this framework, performance audit and accounting are used as technologies for constituting performance.

I have also argued that many accounting studies that view accounting and auditing as technologies of government address discourses over these technologies rather than their operation in specific organizations. I have suggested that the notion within this scholarly debate that there is a “considerable play in the mechanism which links the programmatic level with the technological” (Miller & O’Leary, 1987, p. 240; see also Samiolo, 2012) proposes that the operationalization of the technologies is relevant to understanding accounting and performance auditing as technologies that we use to enable long distance control, “transparency” and accountability. In one sense, all accounting studies that address performance management and measurement issues in local organizational contexts can be read from the theoretical lens of accounting as a technology of government. From that perspective, the field of literature is vast, and I incorporate some of these numerous studies in the papers. However, few such studies apply the analytical distinctions between political and programmatic ambitions and technologies.

I have also elaborated on the main results of each paper and what the results tell us about the constitution of performance in the practices of accounting and performance auditing. In this concluding discussion, I will relate the papers to each other as well as to the theoretical perspective of accounting and performance auditing as technologies of government, and elaborate on
what the paper findings collectively say about how and under what conditions performance is constituted in accounting and performance auditing.

_The fragility of performance_

As previously mentioned, the idea behind accounting and performance auditing as technologies of government is that they produce stable representations that can travel to the “centers of calculations” without distortion (Rose & Miller, 1992). Studies of accounting and auditing as technologies of government that are carried out on a discursive level may give the impression that the process of producing these stable representations is a stable and unproblematic process in itself. The notion that accounting and performance audit create visible, manageable spaces open for long-distance control may seem rather stable and straightforward. When reading the papers in this thesis, however, one thing that comes to mind is that constituting performance is a rather fragile process that is far from straightforward.

In the first paper, we observe that when performance is operationalized by the auditors, it is a concept that refers to many different aspects of organizational life. Performance and performance audit are certainly vague concepts, but something that reoccurs in performance audit literature are “the three Es” (i.e., economy, efficiency and effectiveness), understood as the audit of “substance”. When we study how performance auditors reach judgments in terms of the three Es in paper two, we see that the auditors mobilize several different actors (e.g., statements from government, parliament, international organizations, experts in various fields, established evaluations methods and benchmarks of various types) to reach their judgments. In this way, the auditors find criteria against which to judge the auditee. We also reach the conclusion that the mobilized actors enable the auditors to reach conclusions and at the same time protect the ideal of independence. Therefore, when taking on the three Es, the auditors depend on many different actors, which on the
one hand make the claims of the auditors strong. On the other hand, this finding suggests that the process of constituting performance in terms of the three Es is rather fragile, because the process is dependent on the mobilization of various actors.

The fragility of the process of constituting performance is also confirmed in paper three. This paper shows that the process is dependent on the establishment of distance from that which is to be represented, the rationality of the concepts that are being used, the influence of the auditors and the reactions among the represented towards the labels put on them and towards being made visible in a performance report. Constituting performance is a complex social process that depends on many different factors in the local context that is to be represented. Miller & Rose (1990) explain that accounting transcends spatial and temporal distances by rendering organizational actions into a conceptual form. Paper three demonstrates, however, that accounting for organizational activity in terms of the concept of output can be highly problematic, although the concept of output is somewhat taken for granted both in the Swedish central government and in accounting literature. To constitute performance is challenging, at least when the superior does not provide clear standards for how to accomplish this task.

Both paper two and paper three show that performance is a phenomenon that is subsumed under pre-established performance criteria or performance standards. Without such fixed visibilities against which to judge organizational actions, performance becomes difficult to establish. When the central agencies are asked to set their own performance standards, they are asked to become standardizing subjects for their own performance. When the government, i.e., the agencies’ “center of calculation” no longer provides detailed instructions on how to report activity, this standard setting is left to the agencies. However, the challenges connected with this task allowed for an-
other center, the SNFMA, to be formed. In the case of the SEA, the SNFMA became the standardizing body, and according to the follow-up report published by the SNFMA, similar situations seem to have occurred in other agencies as well. Although the initial intention with the new regulations was that each agency should decide how to account for its performance itself, the SNFMA is now planning to establish network gatherings for the agencies to discern how to achieve this goal. Performance is far from something that is “out there” merely to be observed and objectively written down. In the constitution of performance, standards play a central role.

Another related aspect worth highlighting in paper three, that indicates the fragility of the process of constituting performance, is that when the civil servants asked the accounting expert in Swedish central government for help, their activity was rationalized with the input-outcome rationale (paper three or paper four). Gendron et al. suggest that “accounting is a technology that aims for abstract and generalized knowledge bases” (2007, p. 126), and the input-outcome logic can be regarded as such a knowledge base. This model is not limited to the Swedish central government but is a logic commonly used in “management by accounting” (McSweeney, 1994, p. 237; see also Gendron et al., 2007; Johnsen, 2005; Flynn, 2007). Whereas the new regulations for the central agencies’ performance reporting stipulates that the output definition shall reflect activities of great significance in the agency’s activity, the intervention of the accounting expert led to a representation of the SEA’s activity that made invisible certain activity regarded as important by both the agency’s governing ministry and the agency itself.

In my view, this finding suggests that accounting is a technology that carries a “program” within itself. In other words, this technology has its own agenda and its own rationale, a finding that is in line with Miller & O’Leary’s (1987) notion that the link between political and programmatic ambitions
and technologies is loose. This result suggests that the technology of accounting does not necessarily have to serve political ambitions or programs. Although the Swedish central government aimed to adjust the performance reporting of each agency’s particular activity by “detaching” accounting from uniform structures – and the performance management investigation (Statens offentliga utredningar, 2007:75) criticized the previous activity structure for its “unbroken chain of end-and-means relationships” (p. 255) – the “program of accounting” led to a new generalized unbroken chain of end-means relationships to guide the performance reporting in the SEA because of the difficulties of constituting performance without pre-established standards. This situation, in turn, rendered certain activity invisible that was regarded as important by the agency’s superior. From this perspective, accounting is not only a technology that can be used by a superior to discipline organizations and individuals in organizations (Miller & Rose, 1990; Rose & Miller, 1992). Accounting is also a technology that must be disciplined to function as a technology of government, i.e., to serve the ambitions it is meant to realize. In the case I have studied, the ambitions of the accounting expert and the ambition of the government seem to contradict each other.

The discrepancy between programmatic ambitions and the “program of the technology” can also be found in the studies of performance audit. The “three Es” can be understood as a programmatic ambition, a framework for action put forward by the INTOSAI (2004) and the Swedish national audit investigation (Slutbetänkande av Riksrevisionsutredningen, 2009) to realize the increasing political concern of creating value for tax payers’ money. The technology of performance audit is supposed to enable accountability relationships based on this political concern. As a technology of government performance auditing is expected to carry out audits of “substance”; the critique towards system audits seems to suggest that such audits do not provide information suitable for governing at a distance.
When we study audit of “substance”, however, we realize that the linguistic actor of independence may work as a hindrance for such an audit to be carried out. Thus, here a paradox occurs. Independence is the *raison d'être* of the technology of performance audit (see paper two on the relationship between performance audit and independence). Indeed, the need for independent state audits was one of the main reasons for the establishment of the SNAO (Ahlbäck-Öberg, 2011). At the same time, independence may hinder the auditors in performing their duties of providing judgments of the three Es. The inherent “program” of performance audit stipulating dependence on independence contradicts the programmatic ambition of the three Es which makes this technology insufficient for enabling accountability relationships based on the political concern of value for taxpayers’ money.

The production of accounting *numbers*, which I study in paper four, adds to the notion that accounting follows a certain rationale and that the process of constituting performance is fragile. In other words, the two steps I elaborate on in paper four, the establishment of quanta and the establishment of generic concepts, must always be carried out. Although this process looks different in different settings because intersubjective cognition, individual creation, human-machine interaction and the nature of mobilized concepts might combine with the production of numbers in different ways (paper four), quanta and generic concepts must always be established. For example, the quanta in the SEA consisted of visible objects, and the concepts were based on the agency’s instruction together with the visible objects. When we classified the SNAO’s performance audits (paper one), the quanta were the audit reports, whereas the generic concepts were derived from other studies of performance audit.

In governance reforms such as “new public management” in the public sector, performance has to a large extent, evolved into countable forms. Similar-
ly to constitutive accounting research, the quest to render actions into numbers seems to rely on a belief that accounting numbers possess an extraordinary ability to enable government to function from a distance. The Swedish performance management investigation’s call for “prize-tags” (see paper four) also seems to indicate a trust in the ability of numbers to produce useful information for the government. However, as shown in paper four, this scenario requires the production of calculable numbers through the establishment of quanta and generic concepts. I consider this to be a fragile process, because the establishment of quanta and generic concepts requires organizational effort and can result in significant tensions. In the case of the SEA, the establishment of quanta (through visible objects) was governed by the SNFMA’s definition of output, which in turn made invisible certain activity regarded as important by the agency’s governing ministry. Hence, in this case, the numbers did not enable governing from spatial and temporal distances, which, as previously mentioned, demonstrates that the accounting numbers’ capacity to enable government from a distance should not be overestimated.

*The stability of performance*

In the discussion above, I have problematized how and under what conditions performance is constituted in the practices, or technologies, of accounting and performance auditing. I have discussed how fragile the process of constituting performance is. I have shown how complex the process can be, how auditors have to mobilize actors to establish criteria and protect the ideal of independence, how performance reporting depends on pre-established performance standards as well as the represented parties’ reactions towards labels and being made visible and the influence of the auditors, the mobilized concepts and the inherent programs in both accounting and auditing.
However, this discussion is not intended to claim that performance is a phenomenon that never can become stable. On the contrary, to study how performance is constituted is to study how performance becomes stable. Performance does become stable, or at least stable enough for performance reports to be published. Once published, the performance report can “travel” and transcend spatial and temporal distances and be used in places where decisions are made about the represented activity (Miller & Rose, 1990; Rose & Miller, 1992). However, when studying how performance is constituted in performance audit and accounting, we can see that it takes much effort to achieve this task through the fragile processes discussed above.

Why is it important to study the constitution of performance, and why is it important to acknowledge the fragility of the constituting process? First, this thesis shows that to understand the ability of accounting and performance audit to enable government at a distance (Miller & Rose, 1990), we must study the fragile process through which performance become stable. By studying this process, we can increase our understanding of how and under which conditions accounting and performance audit enable (or disable) long-distance control. Second, it is important to study the constitution of performance because when the complexity and fragility of the constitution of performance is neglected in practice, several unintended consequences may occur.

The Swedish government seems to accept and make use of the idea that accounting as a technology unproblematically glues political and programmatic ambitions to society, without recognizing the process of constituting performance. The new regulations in the Swedish central government for the central agencies’ performance reporting are an example of this idea. As praiseworthy as it may seem, the idea that the central agencies are best suited to “describe their activity” and provide the “correct picture” of their activity
suggests that organizational actions can easily be connected to political and programmatic ambitions through the technology of accounting. The idea that it is easier for the agencies’ to explain what they do, rather than what the activity has led to, seems to be built on the assumption that “performance” is “out there” to be objectively observed and reflected in performance reports, neglecting the challenges of constituting performance. In the SEA, this method led to a time-consuming and challenging process of defining output that nonetheless excluded activity considered relevant by both the agency and its governing ministry. Similarly, the idea of conducting an independent state audit of the three Es seems to neglect the fragile process of making performance stable, in which the establishment of audit criteria and the role of independence constitute significant challenges for the auditors.

Another example in which the process of constituting performance seems to be neglected is the taken-for-granted notion – in both constitutive accounting literature and governance reforms such as new public management – that accounting numbers enable government from a distance. A further example is the tendency to take the simplicity of the concept of “output” for granted, as observed in both the Swedish government and the accounting literature.

Once we acknowledge that performance is a socially constructed representation of organizational actions and begin to pay attention to how performance is constituted, we can find new ways to address the ongoing challenge of constituting performance. Once we realize that performance is a socially constructed phenomenon, this finding calls for reflection on what governs the constitution of performance. In my view, the role of the academic is not to provide specific (or simple) answers to complex problems. Rather, the academic’s role is to question current research and practice and to track down problems that may not be obvious in everyday organizational practice. Using the research of Foucault, Bay (2012, p. 27) suggests the following:
“The powerful is not the one who possess the answers, but the one posing the questions […] there are moments in life when these questions need to be asked if one ever is to think or see differently”. To me, the role of the academic is to ask such questions, not to conclude that “nothing works”, but rather to encourage new perspectives to be taken, which in turn can lead to new solutions. One example of this process occurred when I (thanks to Goffman) recognized that a prerequisite for output in the SEA was visible objects. As simple as this may seem, this realization helped the civil servants to move forward in the process of defining output. Before we realize the problems, we cannot do anything about them, and in my view, the recognition of problems is the main area in which practitioners and constructivist researchers can collaborate.

Therefore, on the basis of this thesis, what questions can we ask? Examples of questions that can be asked on the basis of this thesis include the following: When performance is measured, how are quanta established? How are the generic concepts established to which the quanta are attached? What type of knowledge base (e.g., the input-outcome model) drives their establishment? What type of knowledge base underlies the notion of performance in an organization as a whole? How are performance standards set? What do we mean by audit independence? What actors are mobilized in a performance audit to make judgments about performance, and at the same time, to protect the ideal of independence? In what way do these actors affect our notion of performance in the public sector?

Below, I attempt to structure the contributions of this thesis under the headings of practical and theoretical contributions.
Practical contributions

- Performance is not “out there” to be observed and reflected in performance reports. Performance is a phenomenon subsumed under the demand for clear criteria or standards against which organizational actions can be represented and assessed. The ambition of the new Swedish regulations of the central agencies’ performance reporting to adjust the reporting to each agency’s particular activity can be regarded as praiseworthy. However, the new regulations seem to neglect the challenge of representing organizational actions without clear pre-established standards. As we can see in papers three and four, the standards for output set in the SEA led to a definition of output that was not useful for the agency’s governing ministries. Attention should be paid on how the new standards are set. Who sets the standards when the ministries do not? What role should the SNFMA play in this process (see paper three)?

- When performance is constituted in accounting and performance auditing practices, concepts such as “independence” and “output” affect how performance is constituted which may have unintended consequences. In the case of performance auditing, the notion of independence may hinder performance auditors in reaching judgments in terms of the three Es. If there is tension between what we want the auditors to be (independent) and what we want them to do (audit the three Es), this tension calls for attention (see paper one and paper two). In the case of the central agencies’ performance reporting, we need to pay attention to the concepts that the agencies are requested to use and how the concepts affect the performance reporting (see paper three).

- Relating to the previous point, accounting is not a neutral practice that unproblematically glues political and programmatic ambitions to society. For example, the input-outcome model commonly used in “management by ac-
“counting” is an easy and pedagogic way of communicating organizational activity, but this method of rationalizing organizational activity also effects how performance is understood and reported (see papers three and four).

-When performance is represented with numbers and made calculable and comparable, quanta and generic concepts always have to be established. Attention should be paid to how the quanta are established and how the generic concepts are established. What determines their establishment (see paper four and the discussions about paper one in this chapter)?

**Theoretical contributions**
Overall, this thesis has shown that to understand how local organizational settings are made visible and governable from a distance through the technologies of accounting and performance auditing it is not enough to carry out studies on the level of discourse. The process of constituting performance in local organizational settings is a prerequisite for government at a distance to be possible. By studying this process, this thesis demonstrates that the ability of the technologies of accounting and performance audit to link political and programmatic ambitions to society cannot be taken for granted.

By studying the process of constituting performance in local organizational settings we can increase our knowledge about this process, and by relating the findings to the theoretical perspective of accounting and auditing as technologies of government, we can increase our understanding of the ability of these technologies to enable government at a distance. The papers of this thesis make the following theoretical contributions to our knowledge about how and under what conditions performance is constituted in the practices of accounting and performance auditing.
- The linguistic actor of independence should be taken into account when analyzing the constitution of performance in performance auditing. The tendency of performance auditors to focus on audits of “systems” – which is not regarded as suitable information for government – and avoid audits of the three Es because of lack of audit criteria is well-established (e.g., Pollitt et al., 1999; Power, 1997). Paper two in this thesis adds to this notion by suggesting that one explanation for this tendency may be the linguistic actor of independence.

- Whereas performance standards set by superiors against which organizational actions are rendered visible and possible to govern from a distance are subject to much criticism (e.g., Roberts, 1991; 1996; Strathern, 2000), paper three demonstrates the difficulty of representing activity without such standards. This paper also shows that even though the concept of output has been assumed to be relatively easy to apply (e.g., Modell & Grönlund, 2007; Pollitt, 1988), its simplicity cannot be taken for granted. The complex social process of constituting performance should not be neglected. This means that the use of abstract accounting concepts, and the process of rendering organizational actions into a conceptual form (Miller & Rose, 1990), cannot be expected to be unproblematic and straightforward.

- As discussed in paper three, a common view in accounting is that the visibility created through accounting meets resistance in various ways (e.g., McGivern & Ferlie, 2007; Roberts & Scapens, 1990), and accounting visibility and professional values have been regarded as contradictory (e.g., Kurunmäki & Miller, 2006). Paper three, however, demonstrates that being made visible in a performance report can align with professional values.

- The ability of accounting numbers to enable government at a distance cannot be taken for granted (e.g., Miller, 2001; Robson, 1992; Rose & Miller,
1992). Paper four shows that the establishment of quanta and the establishment of generic concepts both call for analysis if we are to understand how numerical representations of organizational actions are produced. Paper four adds to our cumulative knowledge about the ability (or inability) of accounting numbers to enable long-distance control (see e.g., Asdal, 2011).

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Now that this introductory chapter has come to an end, I leave it to the reader to interpret and judge the contributions of the papers. In this chapter, I have provided a certain meta-reading of the papers. However, as mentioned in the beginning of this chapter, I believe that there are as many interpretations of the papers as there are readers, and in the end, the reader will decide how to interpret them. Regardless of how the reader interprets the papers, I hope it will be an informative experience.

References


