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Abstract

One of the main unintended consequences of NPM-reforms is increased detailed -steering and recentralization due to attempts to decentralize the public sector, which, in turn, leads to restrictive hierarchical accountability relationships. This paper reports an attempt by the Swedish government to solve these problems by decentralizing the Swedish central agencies' performance reporting and thereby broadening the possibilities of accountability in the Swedish central government. Whereas several studies have presented cases in which the "superior" (e.g., the government) is the main driver behind detailed performance control and recentralization, the findings in this paper show that centralized detailed control can be highly desirable for those accountable for their performance. In line with findings made in previous studies, the decentralization in the Swedish central government is now followed by a recentralization. However, this recentralization is mainly driven by the central agencies and not by the government. The paper suggests that to understand the dynamics between decentralization and recentralization in the area of public performance reporting, it is necessary to consider institutionalized reporting structures as well as the difficulties associated with defining performance. This allows for further insights into the possibilities of broadened accountability in the public sector.

Introduction

Keywords:
New Public Management
Decentralization
Recentralization
Performance reporting
Accountability

Although NPM is a diverse concept and NPM reforms may look different in different contexts (De Vries & Nemec, 2013), one common feature of such reforms is decentralization, an erosion of hierarchical accountability relationships with the idea that public organizations should be given increased freedom to manage themselves. Detailed operational control should be replaced by ex post evaluations of and accountability for results, generating more discretionary space for public sector organizations to add value to public sector services (Hood & Peters, 2004).

However, several studies have shown that attempts to decentralize the public sector have resulted in more centralized control of public organizations rather than less. Organizations that are supposed to experience more freedom in managing themselves often experience a significant increase in hierarchical control and increased demands for detailed performance disclosure, regarding both results and operational matters (Courpasson, 2000; De Vries & Nemec, 2013; Lapsley, 2008; Maor, 1999; Pollitt, 1990). This "recentralization" of performance management in the public sector has been regarded as a paradox and as one of the main unintended consequences of NPM reforms (Hood & Peters, 2004; Lapsley, 2008). A common explanation for recentralization is that the "superiors", i.e., the governing actors, are reluctant to let go of control (e.g., Christensen, et al., 2008; Diefenbach, 2009; Maor, 1999). Recentralization and

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increased hierarchical control often seem to be driven by the superiors' hunger for control over their administration

It has been suggested that detailed performance reporting requirements from the superior can have several dysfunctional effects. For example, Maor (1999) suggest that detailed performance control makes the ones having to account for what they do – the subordinates – feel uncomfortable and insecure in their daily work. Diefenbach (2009) argues that detailed performance control causes subordinates to be preoccupied with form filling and report writing rather than serving citizens. Furthermore, Roberts (1991; 2009) argues that the superiors' reporting requirements constitute an imposed understanding of “what is going on” in subordinated organizations that neglects other possible accounts of performance. The argument here is that such requirements constitute a highly restrictive and partial form of accountability relationship between the superior and the subordinate. To avoid this situation, Roberts as well as other scholars (McKernan & Maclulich, 2004; Shearer, 2002) calls for a more inclusive form of accountability, and they suggest broadening the possibilities of accountability by allowing multiple ways of accounting for performance.

This paper reports a case in the Swedish central government in which the superior – the Swedish government – has recognized the problems of recentralization and detailed performance control and has tried to do something about these issues. More specifically, the paper reports a reform of the Swedish central agencies' performance reporting that came into effect in 2009. One of the main aims of the reform was to avoid detailed performance control. Now, instead of receiving detailed reporting requirements from the government, the agencies are given the responsibility to independently define their performance and independently decide how to account for their performance in their annual reports. The only restriction is that the agencies are supposed to focus on their “outputs”. However, what their outputs are is up the agencies to decide.

This reform is interesting within the context of the above mentioned issues of recentralization, detailed performance control and restrictive accountability relationships. The agencies are now given considerable freedom in their performance reporting, and the reform can be regarded as an attempt to broaden the possibilities of accountability (McKernan & Maclulich, 2004; Roberts, 1991; 2009; Shearer, 2002) in the Swedish central government. One of the main ideas behind the reform is that this new, more inclusive form of accountability should increase the relevance of the performance information the agencies provide.

Through a study of the reactions in the Swedish central government to the new reform, this paper attempts to explore what happens when the superior tries to delimit the amount of detailed performance control by giving increased freedom to the subordinates to independently define their performance. The aim of the paper is to contribute to our knowledge of the dynamics between decentralization and recentralization in the area of public sector performance reporting which, in turn, is intended to provide insight into the possibilities of broadened accountability in the public sector.

The rest of the paper is structured as follows: Next follows a presentation of previous studies addressing the consequences of detailed performance reporting requirements in hierarchical accountability relationships, as well as the consequences of accountability enforcement in more general terms. Then, the background to the reform of the Swedish central agencies' performance reporting is described. Next, the methods used in the case study are elaborated on, followed by a presentation of the empirical findings from this study. The paper ends with a concluding discussion.

Performance reporting requirements in hierarchical accountability relationships

Detailed reporting requirements in hierarchical accountability relationships have been problematized by several scholars. It has been suggested that these requirements constitute an imposed understanding of performance making the "real" performance in organizations invisible (Strathern, 2000). Roberts (1991) and Shearer (2002) argue that when subordinates have to account for their activities in a certain way, it also means that other ways of communicating performance are marginalized, and in the process the subordinates' own local understanding of their work becomes, in principle, irrelevant.

Although the subordinates' view of their work is discouraged and unrecognized by the superior, Roberts (1991) suggests that this local understanding has an active presence in organizational life and that subordinates often find themselves torn between their own understanding of work and the superior's reporting requirements. Roberts argues that this can be a huge burden for the subordinates (see also Diefenbach, 2009; Maor, 1999). A broadening of the possibilities of accountability, by allowing multiple ways of accounting for performance, would make it easier for organizations and individuals in organizations to explain and justify their actions (see also McKernan & Maclulich, 2004; Roberts, 2009; Shearer, 2002). This would, Roberts (1991; 2009) argues, make performance reporting more relevant and more representative of the inner workings of organizations, which is also the intention with the decentralization of the Swedish central agencies' performance reporting.

However, calls for more inclusive forms of accountability and broadened possibilities of accountability have been problematized by Messner (2009). Messner argues that there are significant limitations to the possibilities of accountability that need to be considered in order to prevent accountability relationships becoming too much of a burden for the subordinates. Messner suggests that providing an account of the inner workings of organizational life might be associated with several challenges. One such challenge is that local knowledge about organizational activities tends to be built upon tacit knowledge that is normally not made explicit. Translating such knowledge into a formalized representation of organizational activities – such as a written performance report – may be difficult. This will at least require some effort. Another challenge is that when individuals account for what they do, they also become exposed to other

actors' judgments. This, Messner argues, may be constitutive of the identity of the individual who is providing the account. When subordinates provide accounts of their everyday conduct, this also affects the way they view themselves and their work. Such identity-shaping activities start at the same time as a demand for accountability is formulated. Against this background, Messner argues that requirements for accountability – in any form – can become a burden for the one who is supposed to provide the account, even if the possibilities for accountability are broadened in the way Roberts (1991) advocate.

Messner (2009) further suggests that Robert's (1991) notion of "multiple ways" of accounting for performance may be interpreted in two different ways. In line with Roberts, Messner suggests that if multiplicity means that the subordinate has several alternatives of how to provide an account, then the burden put on this individual would likely be less heavy compared to a situation where there is only one possible way to provide an account. However, Messner explains that in accountability relationships, it is often the case that multiplicity translates into multiple demands for accountability, i.e., multiple demands from different actors to which the subordinate organization is expected to conform. In this case, the burden put on the subordinate organization is great and this situation can be difficult and time consuming to address. Messner suggests that the superior, i.e., the one who is to be accounted to, has a responsibility that should pertain to the burden put on the one who is subjected to demands for accountability and performance disclosure.

The literature elaborated on above has been used as a theoretical lens in the analysis of this study's empirical material. In the presentation of the empirics, various challenges are presented that the agencies are facing in the process of translating their local understanding of their activities (Roberts, 1991) into a performance report. The findings in the empirics are further elaborated on and related to the above literature in the concluding discussion of the paper.

Background to the case – performance management in the Swedish central government prior to the reform

The Swedish central government is relatively unique by international standards because it has a history of devolved responsibility for operating matters handled by central agencies with a considerable degree of autonomy (Christensen et al., 2008). Ministerial intervention is forbidden by law, which means that the direct political control of agencies is limited. Formal parliamentary and governmental control is mainly carried out through legislation, annual regulation letters and appointments of central agency director-generals. Nevertheless, as in many countries, the last few decades have been characterized by NPM-inspired performance management reforms. At the end of the 1980's, "management-by-objectives" was introduced. 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; Sundström, 2003).

During the 1990's, two official documents became increasingly important: the central agencies' annual regulation letters from the government and the central agencies' annual reports. The annual regulation letters became the main steering document in central government and consisted of two parts: one part concerned the budget, and the other, the government's stating of the agencies' objectives and the agencies' reporting requirements (Modell et al., 2007). The agencies have responded to the reporting requirements in their annual reports and the reports, have been assessed by auditors. However, in line with recentralization tendencies in other countries (Christensen et al., 2008; Diefenbach, 2009; Hogget, 1996; Maor, 1999), the amount of detailed reporting requirements in the annual regulation letters has tended to increase. Similar to the critique of imposed reporting requirements in previous research (e.g., McKernan & MacLulich, 2004; Roberts, 1991; Shearer, 2002), the amount of reporting requirements has been regarded as a burden among the agencies, and sometimes the relevance of the reporting requirements has been questioned. In the words of Roberts (1991) and Shearer (2002), the regulation letters created restrictive accountability relationships with imposed understandings of the agencies' work that sometimes did not correspond to the civil servants' local understanding of their activities.

In 2006, the Swedish government appointed an investigation, "Styrutredningen" (the performance management investigation), with the task of assessing performance management in the Swedish central government and providing proposals for improvements. The investigation's final report was published in 2007 (Statens offentliga utredningar, 2007.75).

The performance management investigation and its solutions to the issue of recentralization and detailed performance control

The investigation concluded that instead of receiving the reporting requirements from the governing ministries, the agencies are best suited to decide for themselves what information provides a "correct picture of their activity" (Statens offentliga utredningar, 2007.75: 249). Previously, the agencies had often been required to account for "outcomes", i.e., long-term impacts on society of the agencies' activities. The investigation, however, concluded that "outcomes" were too demanding for the agencies to account for because of the challenges associated with establishing casual relationships between cause and effect. Instead, it was argued that it is reasonable to expect the agencies to be able to account for *output*. Output was never defined by the investigation, but the investigation explained that the agencies first and foremost should provide information of *how they have carried out their assignments* and not what impacts their actions have had on society. How to define output and how to account for output in the annual report should be up to each agency to decide, meaning that multiple ways (Roberts, 1991; Shearer, 2002) of accounting for performance should be allowed.

The investigation concluded that the portion of the annual regulation letters addressing the agencies' performance should be removed, and instead the main

steering document should be the agencies' instructions. The instructions can be regarded as the agencies' *Raison d'être* and are long-term documents with general statements of the agencies' missions. The investigation stated that the long-term management made possible by the instructions should be enough for proper management and that "more management on top of that" (Statens offentliga utredningar, 2007: 246) was not necessary. To give an example of what the formulations in the instructions may look like, a quote is presented from the instruction (Förordning 2007:1153 med instruktion för Statens Energimyndighet) of one of the agencies included in this study, the Swedish Energy Agency.

The agency should promote short- and long-term supply of electricity and other energy sources [...] within the agency's area of operations, and the agency should promote an efficient and sustainable energy supply, with low negative effect on health, environment and climate.

This means the instructions tend to contain general, broad statements of the agencies' objectives, tasks and function in society. These statements should provide guidance for the agencies' performance reporting, but it should be up to the agencies to decide precisely what to account for.

In 2009, new regulations based on the performance management investigation's suggestions were introduced for the central agencies' annual reports. This reform implies that the Swedish central agencies are given significant freedom in their performance reporting. The aim was that this would lessen the burden for the central agencies while making the performance reporting more relevant.

Methods

The findings in this paper are mainly based on interviews in six Swedish central agencies regarding the new way of accounting for performance. The empirical material comprises two interviews with two respondents at the Swedish Energy Agency, one interview with two respondents at the National Agency for Special Needs Education and Schools, one interview with one respondent at the Swedish Institute, one interview with two respondents at the Swedish Government Authority in Charge of Financial Aid for Studies, one interview with three respondents at the Swedish Transport Administration and one interview with two respondents at the Swedish National Property Board. A brief presentation of each agency can be found in the appendix. The author of this paper previously carried out a three-year case study between 2009 and 2012 of the work of defining output in the Swedish Energy Agency (Svärdesten-Nymans, 2012). This paper can be regarded as an extension of that study, and the empirical design was chosen to gain a broader understanding of the reactions among the Swedish central agencies to the reform of their performance reporting.

The interviews lasted approximately 60 minutes. At the beginning of each interview, anonymity and confidentiality were discussed and assured. An interview guide was developed before the interviews with broad questions concerning the new way of accounting for performance in the central government. As

examples, the respondents at the agencies were asked to describe the process of defining and accounting for output and to elaborate on the possible challenges they are facing in this process. All respondents work at their agencies' accounting department and are involved in producing the agencies' annual reports. The interviews were digitally recorded and transcribed and anonymity was assured at the beginning of the interviews. The interviews at the Swedish Energy Agency were carried out in 2010, and the interviews at the other agencies were carried out in 2013.

During the interviews it was also found that the Swedish National Financial Management Authority (SNFMA) played a significant role in some of the central agencies' definitions of output. The SNFMA is a central government agency and is the government's expert in performance management, being responsible for "good accounting practices" in the central government. Consequently, the author of this paper also read guidelines and reports published by the SNFMA regarding the agencies' work in defining output.

Empirical findings – the reactions to the reform in the Swedish central government

In connection with the reform in 2009, the SNFMA developed general guidelines for the central agencies' performance reporting. The guidelines state that the agencies are responsible for independently defining their own output, but that a broad definition of output could be "services or products the agency provides to achieve its goals that 'leaves the agency', such as a report or a prescription" (Ekonomistyrningsverket, 2009:15).

In 2011, the Swedish government assigned the SNFMA to carry out a follow-up of the effects of the reform. In 2012, the follow-up was presented in a report (Ekonomistyrningsverket, 2012). As Messner (2009) observes, translating local tacit knowledge of "what is going on" in an organization into a formalized representation of organizational activities such as a performance report might be a challenging task, and the SNFMA found that several agencies find it challenging to define and account for their outputs. The SNFMA arranged focus groups for discussions about the new regulations, and it explains that:

In all groups, the requirement to account for output (according to the standard definition) was questioned and regarded as delimiting, irrelevant or even impossible to carry out (Ekonomistyrningsverket, 2012:39).

Thus, even though the agencies are supposed to independently define their outputs, many seem to have followed the "standard definition" of output provided by the SNFMA. In the follow-up report, the SNFMA explained that they are planning to carry out workshops, or network gatherings, with the central agencies in order to develop a "frame of interpretation" of the new regulations for the agencies' performance reporting. Thus far, two workshops have been held. The SNFMA was planning to hold the workshops in their agency building. Howev-

er, because so many agencies wanted to attend the workshops, the SNFMA had to rent a conference hall on both occasions.

Similar to the findings made by the SNFMA, this study has found that defining and accounting for output can be a challenging endeavor for an agency. The interviews in the study shed light on some of the reasons why this can be challenging. Although the reform came into effect in 2009, the agencies and their governing ministries have gradually adapted to the new regulations. Hence, the agencies in this study started to account for output in different time periods. Some agencies started in 2009, whereas others started later. All agencies still have some reporting requirements in their annual regulation letters, but significantly less so since the new reform came into effect.

The findings from the interviews in the agencies are presented below. The empirics are presented under themes that have arisen during the interviews. The themes concern the approaches the agencies have had to the new way of accounting for performance and the different challenges the agencies have been facing when translating their local understandings (Roberts, 1991) of their activities into their annual reports.

Different approaches towards the new freedom of defining performance

The agencies included in this study have approached their new freedom in their performance reporting in different ways. Although the agencies are supposed to independently define their outputs and decide how to account for their outputs in the annual reports, all agencies have at some point consulted an external actor, most often the auditors, to find guidance in the work of defining outputs.

The Swedish Energy Agency started to define outputs in 2009, i.e., immediately after the enforcement of the reform. In line with the intentions of the reform, the civil servants at the agency had the ambition to define their outputs entirely on their own. A working group was established that was responsible for defining the agency's output. However, to define outputs turned out to be more difficult than the civil servants had first expected it to be. It was difficult to agree about what output actually was and to delimit "output" from the rest of the agency's activities. One of the respondents, who was a part of the working group, explained:

We had heavy discussions about this. When does the output occur?
[...] What is output? And above all, what is *our* output?

Finally, the civil servants in the working group realized that they were unable to establish a definition of output. Instead, the civil servants started to look for the "correct" definition of output from an external actor and they decided to rely on the definition of output provided by the SNFMA. Based on this basic understanding of output, each department at the agency was asked to come up with suggestions for output and to send these suggestions to the working group. The group also tried to consult the auditors to find guidance. However, the respond-

ents explained that the auditors were insecure about the new regulations and that the auditors did not really know how to audit the outputs.

Similar to the Swedish Energy Agency, the National Agency for Special Needs Education started to define outputs in 2009. This agency also decided to define their outputs entirely on its own. Differently from the Swedish Energy Agency, the National Agency for Special Needs Education did not use the general definition of output provided by the SNFMA. Rather, the agency's different departments were given the responsibility to define their outputs and to send their suggestions for output to the agency's accounting department. The respondents at the National Agency for Special Needs Education however explained that the accounting department has held discussions with the auditors to verify the output definitions. Similar to the Swedish Energy Agency, the respondents found that the auditors were somewhat unsure about the new regulations for the agencies' performance reporting. One of the respondents explained the following:

We have had some discussion with the auditors. We were quite insecure in the beginning and they were too; they were not very much support.

The Swedish Institute started to define its outputs in 2012 after pressure from the auditors because of the lack of outputs in the annual report. Contrary to the Swedish Energy Agency and the Swedish National Agency for Special Needs Education and Schools, the Swedish Institute did not try to define outputs entirely on its own. Rather, the agency's accounting department started to define the outputs together with a management consultant. The consultant was hired because the civil servants felt that they were under time pressure and that they needed a "sounding board", i.e., an external party with whom the civil servants could discuss the agency's activity. The management consultant was well connected to the SNFMA and was well aware of the SNFMA guidelines for output. The respondent also explained that the agency has a "good relationship" with the auditors and that the accounting department has been able to verify the output definitions with the auditors.

The Swedish Government Authority of Financial Aid for Studies started to define outputs in 2012. The agency started to account for output because the civil servants at the accounting department realized that other agencies accounted for output. The civil servants also heard that several agencies experienced difficulties with this new way of accounting for performance. The agency's definitions of output have been formulated by the accounting department. The civil servants at the accounting department looked at the guidelines from the SNFMA as well as annual reports from other agencies. The respondents also explained that they made sure to verify the output definitions with the auditors. One of the respondents stressed that it is important for the accounting department to have this collaborative relationship with the auditors because "after all, they are the ones who will examine and approve our performance report".

The Swedish Transport Administration started to define output in 2012. Similar to the Swedish Institute, the Swedish Transport Administration started this process after pressure from the auditors. One of the respondents was given the responsibility to lead the work of defining output and she established a working group within the accounting department. The respondent explained that when the group started the work of defining output, they realized that this would require much more work than the group first expected. The group then started to look for a “correct definition” of output in the guidelines provided by the SNFMA. They also looked at other agencies’ annual reports and “interviewed” their auditors to find guidance.

In line with the Swedish Institute and the Swedish Transport Administration, the Swedish National Property Board started to define output in 2010 because the auditors complained about the lack of outputs in the agency’s annual report. The respondents explained that the accounting department started by searching for a definition of output in the SNFMA guidelines. One of the respondents explained that “they wanted to know what output was”. The respondents also said that they decided to define output in a limited group of people in the accounting department, in collaboration with their auditors.

In sum, two of the agencies, the Swedish Energy Agency and the National Agency for Special Needs Education, had the ambition to define their outputs independently, without the involvement of an external actor. However, for the Swedish Energy Agency, this turned out to be difficult. Instead, they relied on the SNFMA’s definition of output. The other agencies have all started the process by searching for a “correct” definition of output from the auditors, the SNFMA, a management consultant or other agencies’ annual reports.

All agencies have also been keen to verify the output definitions with the auditors. However, the respondents at the Swedish Government Authority of Financial Aid for Studies explained that the reform of the agencies’ performance reporting have been challenging for the auditors. The respondents had participated in the workshops held by the SNFMA, and in one of these workshops, the Swedish National Audit Office was represented. During the workshop, the National Audit Office explained that whereas the auditors could previously judge the annual reports on the basis of the report requirements in the agencies’ annual regulations letters, the reform implied that the auditors no longer had a standard against which to judge the annual reports. Since the reform came into effect, the central agencies have criticized the Swedish National Audit Office for carrying out audits in many different and inconsistent ways. Because of the criticism, the Swedish National Audit Office has started to standardize their audits to make them more consistent and to help the central agencies know what to expect from the auditors.

The level of detail in the performance reports – a possible challenge for the agencies

As mentioned at the beginning of this paper, detailed reporting requirements in hierarchical accountability relationships can be a burden for the subordinate

organizations (e.g., Diefenbach, 2009; Roberts, 1991). This was also the case for the Swedish central government prior to the reform. However, although the agencies no longer have detailed report requirements, the level of detail in the performance reports has proven to be problematic in some of the agencies, but in a new way.

In the National Agency for Special Needs Education, where each department was given the task to define their outputs and send their definitions to the accounting department, a situation occurred in which the concept of output could mean many different things, and at different levels of abstraction. In the language of Roberts (1991), output was accounted for in multiple ways. However, the different levels of abstraction were a problem for the accounting department. One of the respondents explained that when the accounting department put the annual report together, they had to take an “agency perspective” and not a “department perspective” in the report, meaning that the degree of detail in the reports from each department has to be similar for the annual report to make sense. The respondent also explained that she makes sure to obtain information from the agency’s governing ministry about the governments’ need for information. The respondent said the following:

The result was quite straggly and unfocused; they [the different departments] did not have the same view of what output is. [One of the groups] had heavy discussions of what output is, and they had many ideas. At the same time, it didn’t correspond to what we [the accounting department] know that the government wants to know, even though they [the government] do not write it in the annual regulation letter anymore.

The accounting department had “the final say” regarding the output definitions and adjusted them so it would be possible to present them in the annual report.

Even in the Swedish Energy Agency, the degree of detail in the performance report became an issue. When each department sent their suggestions for output to the working group that was responsible for the output definitions, the group ended up with a list with a huge amount of detailed descriptions of activities that could be regarded as output. This was a problem for the group because this great level of detail did not generate a “holistic” picture of the agency’s work. Consequently, the group established more abstract categories under which the suggested activities could be sorted. This however led to a situation where the agency’s different departments found the output definitions far too abstract.

In the Swedish Institute, where the accounting department developed suggestions for the agency’s outputs together with the management consultant, the accounting department discussed the output definitions with the managers of each department after which adjustments were made. Similar to the National Agency for Special Needs Education and the Swedish Energy Agency, the main complaint from the managers was that the output categories were too abstract, which led to more detailed categories. Still, similar to the National Agency for

Special Needs Education the respondent at the Swedish Institute explained that the accounting department has always been in charge of the process of defining output and have had the final say regarding the output definitions.

In sum, the case of the National Agency for Special Needs Education, the Swedish Energy Agency and the Swedish Institute the level of abstraction, or the multiple ways (Roberts, 1991; Shearer, 2002) of accounting for performance in the performance report, has been a topic of discussion among the accountants who are responsible for the reporting and among the civil servants working with the agencies' operational activities. The civil servants wanted to explain what they did in great detail, which made it difficult for the accounting departments to provide a performance report they considered adequate.

The labeling of people and their work – another possible challenge for the agencies

Another issue in some of the agencies has been the effect the labeling of people has had on how they view themselves and their work (compare Messner, 2009). In the Swedish Energy Agency, the interpretation of the SNFMA guidelines was that everything the agency did that resulted in some type of object that could be regarded as "leaving" the agency (such as a report) was regarded as output. This, in turn, led to a situation where everything the agency did that did not result in the production of objects that could be regarded as "leaving" the agency was not regarded as output. The excluded parts of the agency's activity were at first labeled "no output" (the formulation in Swedish was "ingen prestation" which can be translated as "no achievement"). This created much frustration among the civil servants working with things labeled "no output". One of the respondents explained:

It was a big mistake calling the last category 'no output'; it created a lot of frustration. People were asking 'do you not think I am doing anything?' So now we call that category 'other activity' instead.

However, the main cause for the frustration was that a majority of the agency's work was sorted under the label "no output" (or "other activity", as it was called later) because much of the agency's activity does not result in the production of objects that could be regarded as "leaving" the agency. This situation caused controversies and frustration at the agency. One of the reasons for the frustration was that the civil servants felt that the government did not receive the information it needed to make informed decisions. At the same time, the group that was responsible for the output definitions had realized that the auditors judged the agency's annual report on the basis of the SNFMA guidelines. Although these guidelines did not fit the agency's activity very well, the group did not want to diverge too much from the guidelines because they were afraid of receiving remarks from the auditors.

All departments at the agency became involved in the work of defining output, and the process was regarded as time consuming and was fraught with con-

flict. The work of defining output met increasing resistance, and the new freedom to define and account for the agency's performance was eventually perceived as a burden. One of the respondents responsible for defining the agency's outputs explained:

The whole agency has been discussing this, 'how the hell shall we do this?' [...] The personnel feel like this is a burden laid on them from the accounting department.

In line with the Swedish Energy Agency, the National Agency for Special Needs Education has experienced controversies because of the labeling of the civil servants and their work. According to the respondents the educationalists in the agency were upset when the children they teach were categorized as "impaired children". The educationalists do not want to talk about the children in terms of impairment and do not want to categorize the children according to different types of impairments. Instead, they want to talk about their "abilities", and the educationalists do not feel that this categorization and this way of measuring their activities reflect their work. However, because the accounting department "knows" that the ministry is interested in "impairment", they have defended the label, even though the educationalists feel this label is misleading. The respondents explained that this makes the educationalists feel overseen because they feel that their "real work" does not show in the annual report.

The respondent at the Swedish Institute is aware of the study of the Swedish Energy Agency carried by the author of this paper and explained that, compared to the Swedish Energy Agency, the process in the Swedish Institute has been "rather smooth", even though it has led to huge changes in how the agency reports its performance. The respondent thinks that one reason for this smooth process is that the Swedish Institute has recently been going through major changes, such as a re-organization. The respondent explained that the work of defining output was "drowned" among all of the other changes at the agency. There have, however, been some minor controversies regarding the labels used in the output reporting. The Swedish Institute sometimes lends out movies to agencies abroad that, in turn, arrange movie exhibitions. Previously, the agency accounted for this as "arranging movie exhibitions", but now, that the outputs have been defined, this activity is accounted for as "lending out movies". The civil servants working with this activity were bothered and annoyed by this because they were categorized as "movie lenders" instead of "movie exhibitors".

The other agencies have not experienced similar problems. In the Swedish Government Authority of Financial Aid for Studies, the civil servants decided that the matters they handle (financial aid to students) fit well with the definition of output provided by the SNFMA. Therefore, each matter was regarded as one output. This means that the performance reporting has not changed much compared to previous years, and according to the respondents, the work of defining and accounting for output has not been a major issue at the agency.

In the Swedish Transport Administration, the civil servants came to the conclusion that everything they do that can be regarded as “deliveries” could be defined as output. One typical example of “deliveries” could be when the agency builds a new road or maintains an already existing road. The respondents explained that the notion of “deliveries” fits rather well with the agency’s activities. Once the agency came up with the notion of “deliveries”, it was possible to account for outputs. The agency has not experienced any controversies regarding the output reporting, but the respondents also explained that this reporting is merely a “paper product”, meaning it is only used in the annual report and never really talked about in the agency.

In the National Property Board, the respondents explained that the decision to define output in a limited group of people in the accounting department was conscious. As soon as the group involved “more people” in the discussions, controversies arose. One of the respondents stated:

We have chosen not to communicate the outputs internally [in the agency]. In a few cases, we have attempted to talk about it in the organization, but we immediately recognized that it created confusion and anxiety, raising questions such as “what is an output?” and “is my activity better if it can be classified as output?”

The respondents explained that as long as the definition of output provided by the government or the SNFMA “is so vague”, they do not want to discuss it in the agency because it opens up many discussions that can be difficult and time-consuming to handle.

In sum, the findings suggest that performance reporting can be a sensitive process in an organization. In addition to the issue of the level of detail in the performance report, the exclusion of civil servants from the report as well as the labels placed on the civil servants and their work have been sources of discussions and conflicts in some of the agencies. In the cases where the work of defining output has involved several actors, this has also led to several discussions in the agencies. In the agencies that have experienced less discussions, the process of defining output has been held among a delimited group of civil servants.

Discussion

As mentioned at the beginning of this paper, one of the main unintended consequences of NPM has been that decentralization tends to result in recentralization and increased detailed performance control rather than less. The main explanation for this has been that the superior is reluctant to let go of control (Courpasson, 2000; Diefenbach, 2009; Hoggett, 1996; Maor, 1999). It has also been suggested that the reporting requirements imposed by the superior generate restrictive accountability relationships (McKernan & Maclulich, 2004; Messner, 2009; Roberts, 1991; 2009; Shearer, 2002) neglecting other possible ways of accounting for performance.

The Swedish central government is one context in which recentralization and detailed reporting requirements have been regarded as a problem, and the reform of the Swedish central agencies' performance reporting has been an attempt to decentralize the performance reporting and to broaden the possibilities of accountability in the Swedish central government. However, the network gatherings arranged by the SNFMA, as well as the standardizing work by the Swedish National Audit Office, signify an ongoing recentralization and consolidation of the central agencies' performance reporting. These findings are in line with previous studies of recentralization. However, whereas previous studies have reported on cases in which this development is driven by the superior, the demand for recentralization in the Swedish central government seems to mainly be driven by the subordinates, i.e., the central agencies.

What drives this demand? Contrary to the notion that detailed control by the superior can constitute a time-consuming burden that may also make the subordinate feel uncomfortable and insecure (e.g., Diefenbach, 2009; Maor, 1999; Roberts, 1991), the interest among the Swedish central agencies for the network gatherings organized by the SNFMA indicates that the *absence* of detailed performance reporting requirements can be a burden for the subordinates. The findings in this study suggest that one explanation for the agencies' demand for the SNFMA workshops is that the work of defining and accounting for performance without detailed reporting requirements can be a challenging endeavor. When subordinates are supposed to translate local understandings (Roberts, 1991) of their work into a formal performance report, the process of doing so may be beset by discussions, negotiations and tensions. The present study has identified two main challenges that need to be overcome in this process. First, accounting for performance in multiple ways in a performance report has constituted a problem for some of the agencies because those responsible for the report wanted information at the same level of abstraction in order for the report to make any sense. The level of detail in the reports constituted a source of intense discussions for some of the agencies. The second main source of discussions was the identity-shaping effects (Messner, 2009) of the manner in which subordinates are represented in the reports. Rather than merely communicate what one does, this communication is also a process of shaping one's identity, and when subordinates are labeled and represented in an inconvenient way, they react.

This seems to confirm Messner's (2009) argument that accountability – in any form – may be challenging and can become a burden for the subordinates. However, this study contradicts Messner in one significant way. Whereas Messner, in line with Roberts (1991), suggests that several alternatives of how to provide an account would be less of a burden for subordinates compared to a situation with only one possible way to provide and account, the current study suggests the opposite. To delimit the possibilities of accountability to one possible way of providing an account might be highly desirable for the subordinates, because enforced reporting requirements release the subordinates from the discussions, negotiations and tensions involved in translating the local understanding of their work into formal representations of their activities, such as perfor-

mance reports. The absence of the ability to provide an account seems to be one of the reasons the agencies are driving the current recentralization of the performance reporting in the Swedish central government. If the agencies' performance reporting becomes standardized by the SNFMA and the Swedish National Audit Office, this would likely relieve the agencies of some of the burden associated with translating their local understanding of their activities into formal performance reports.

However, another aspect should be considered in the analysis of why the current recentralization is driven by the agencies. Although the reform has been an attempt to decentralize the performance reporting in the Swedish central government, there is still a hierarchical accountability relationship between the government and its executing agencies. In this institutional arrangement, the agencies have to consider the expectations from the auditors when they report their performance to avoid remarks on their annual reports. Although the previous reporting requirements in the annual regulation letters were time-consuming for the agencies to meet, they constituted clear accountability demands that seem to have provided some comfort to the agencies because they knew what to account for and how to account for their performance in a "correct" way. Several agencies now seem to seek this comfort from the SNFMA and from the auditors instead. Moreover, some of the interviews in this study suggest that the agencies are eager to provide information that the civil servants "know" the government wants to obtain. This means that even though the ambition with the reform was to create an environment that would allow for multiple ways of accounting for performance (Roberts, 1991), the agencies are now experiencing multiple demands for accountability (Messner, 2009), i.e., multiple demands from different actors – the SNFMA, the auditors and the government in this case – to which the agencies are eager to conform.

In sum, the findings in this study suggest that when attempts are made to decentralize performance reporting practices and thereby broaden the possibilities of accountability in central government, the challenges associated with defining performance, i.e., translating a local understanding of organizational activities into a formal representation, have to be considered. The inability to account for activities, due to a lack of detailed reporting requirements from the superior, may constitute significant delimitations when attempts are made to broaden the possibilities of accountability. Furthermore, when such attempts are made, the institutional environment in which the accountability relationship is enacted has to be taken into consideration. To merely focus on the superior and the subordinate in an attempt to reform accountability relationships entails the risk of neglecting other actors (such as the auditors) with the power to influence the accountability relationship between the superior and the subordinate.

Messner (2009) argues that the superiors have a responsibility that should pertain to the burden placed on subordinate organizations when they are subjected to demands for performance disclosure. Although the reform of the central agencies' performance reporting may have been an attempt by the Swedish government to take on such responsibility, removing reporting requirements does

not seem to be a helpful solution. Although the detailed reporting requirements prior to the reform were criticized by the Swedish central agencies, the absence of such requirements seems to create even more frustration. This paper has shown that in hierarchical accountability relationships, a certain extent of clear accountability demands and detailed reporting requirements can be highly desirable among subordinates. Control is desirable, but not too much of it. The task of the superior seems to be to find this balance. To further develop our knowledge of how to find this balance, future studies could be made of subordinates' desire, as well as reluctance, to be held to account.

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Appendix

Included in this study are the Swedish Energy Agency, the National Agency for Special Needs Education, the Swedish Institute, the Swedish Government Authority of Financial Aid for Studies, the Swedish Transport Administration and the Swedish National Property Board. Brief descriptions of the agencies are given below.

The Swedish Energy Agency's mission is to facilitate the development of the energy system both in Sweden and on the global level, so that the energy system will be both economically and ecologically sustainable. The activities of the SEA are diversified, and the agency operates in various sectors of society to create the conditions for efficient, sustainable energy use and a cost-effective energy supply.

The National Agency for Special Needs Education and Schools has the task to ensure that people, regardless of functional ability, have adequate conditions to fulfill their educational goals. Among other things, the agency provides education in special needs schools, ensures that adequate teaching materials are avail-

able and provides government funding to support people with special needs. The agency is supposed to complement the resources of the municipalities and schools.

The Swedish Institute's main task is to "promote interest and confidence in Sweden around the world". The agency seeks to establish cooperation and lasting relationships with other countries through strategic communication and exchange in different fields. The agency focuses on Sweden's "image" abroad and engages in activities regarding international development cooperation. As stated on the agency's homepage, the overarching goal of the agency is to create "mutual relationships with other countries around the world".

The Swedish Government Authority of Financial Aid for Studies approves and sends out Swedish financial aid for studies, including both grants and loans to students in Sweden and abroad. The agency also handles repayment of the loans.

The Swedish Transport Administration is responsible for the construction, operation and maintenance of all state-owned roads and railways. The agency is also responsible for developing long-term plans for the Swedish transport system on road, railway, sea and flight.

The Swedish National Property Board is the public authority responsible for managing the majority of Sweden's state-owned built cultural heritage such as palaces and fortifications, government buildings, museums, theatres, embassies and parks, royal demesnes, military residences, official residences and country estates.