



**UNIVERSITY OF GOTHENBURG**  
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Master Degree Project in Management

**The Performativity of Performance Management Systems**

A qualitative study on how performance management systems are translated within the Swedish energy sector.

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Master Degree Project No.xx  
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# **The Performativity of Performance Management Systems**

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## **Abstract**

This aim of this thesis is to develop an understanding of how the idea of performance management and performance management systems are utilized within the Swedish energy sector. The purpose of the study is to gain an understanding of why performance management is developed, used, and came to its realization within the companies we analyzed. In addition, we wanted to understand how the idea of performance management systems is interpreted by the various actors to take different directions than the ones that were initially intended. The study was conducted using a qualitative approach by conducting sixteen interviews in four Swedish energy companies. The collected data was analyzed in relation to previous social science studies in the field of actor network theory (ANT). This approach was taken in order to understand how performance management systems are developed and used to correspond to the companies operations and business needs. Our conclusion will demonstrate that the concept of performance management among organizations is more than just a set of tools and components, it is a consequence of how different actors interpret these tools and components to serve their own interests within the different contexts. This thesis will provide a better understanding of how performance management systems are translated to serve various business interests. Our conclusion may inspire future researchers to focus on the concept of performance management systems from a translation perspective rather a diffusion perspective.

### **Keywords**

Performance Management Systems, Performativity, Translation, Swedish Energy Market

# 1. Introduction

In a business environment transformed by deregulated markets the idea of monitoring and evaluating performances at the Swedish energy companies can be assumed to be one of the top priorities. It has been argued by many that initiating a performance management system is a key aspect for any organization to be able to ensure the achievement of the strategic goals/objectives and controlling organizational activities (Adler, 2011; Ferriera & Otley, 2009). Otely (1999) advised by developing performance management systems that consist of sets of activities, this would in turn facilitate the link between strategic needs and performance management to ensure strategic success and progression. This would also enable the monitoring of personnel commitment and responsibilities towards achieving the desired strategic goals.

As most scholars in the field of performance management would argue, the activities associated with the performance management system should facilitate all the interests of any organization. However, no universal definition of the performance management concept has been established. Adler (2011) presents the following definition for the performance management system as; “the purposes, processes, and techniques of accounting, its human, organizational, and social roles, and the way in which the resulting information is used have never been static”. It should be noted that most scholars have not agreed on universal definitions and/or purposes of the performance management due to the contextual nature of it. Having a rigid performance management system that can respond to the various business needs does not guarantee strategic success for an organization unless the system can adapt to the ever-changing business environment and needs. Because the system maybe perceived differently as it travels among the various actors due to their different interests, actions and interpretation of the system. Nicolini (2010) stated that the fate of different ideas lies very much in the hands of the receivers, each of whom may react to it in different ways. They may accept them, modify them, deflect them, betray them, add to them, appropriate them or let them drop (p. 1013).

Relying on actor network theory studies (i.e. translation model), we intend to understand how the performance management systems is translated based on the interpretations and interactions between all the actor involved; employees; managers; customers and regulators.

To study the phenomenon of performance management system, we believe that the Swedish energy market makes an interesting case for our study for various reasons. First, the deregulation of the Swedish energy market in the mid 1990's, which lead to a substantial transformation in the market structure to move from a monopolistic-based to a free competition-based market. Second, the entry of private companies into the market, which in turn made profitability a concern for the previously state controlled units, responsible for the energy production and distribution, due to the fact that private companies are more concerned about financial profit (Haapasalo, Ingalsuo & Lenkkeri, 2006). Third, the constant changes in the business environment (i.e. deviation in energy prices due to changes in oil prices and weather conditions) and its implications on the energy market operations. Lastly, the recent market trend in the energy market (i.e. sustainability) and its implications on companies' operations and perceptions by investors and customers. For instance, energy companies have to balance the social, financial and the environmental interest if to be perceived profitable (Epstein, Buhovac & Yuthas, 2015).

Based on the above, energy companies to be more flexible when designing the different business strategies and system, furthermore, companies have to put more effort in including employees on all levels if they to succeed in building strategies and systems that can responds to the constant changes. On the same note, Haapasalo et al. (2006) advised that a successful implementation of performance management require companies to take a more constructive approach that ensures involvement of actors on all levels. This along with other issues that have been neglected in the previous research within the field of performance management systems will be elaborated on in the following section.

## Previous research

Most research on performance management systems have focused on putting their efforts into establishing a framework for the components that should be included in a system, in addition to answering the question of how the organization should identify these specifics to be considered in the system (Simons, 1995; Otley, 1999; Ferreira & Otley, 2009). On one hand, this effort may seem impossible due to the fact that companies operate in an ever-changing environment. On the other hand, the actions, reactions and interpretations of the system by the actors has a direct effect on the way the system unfolds.

The definition and intentions of performance management systems has been subject of debate since the introduction of the concept in the 20th century (Otley, 1980). In his book “Planning and Control systems: A framework for analysis”, Anthony (1965) defined the phenomena as “the process by which managers assure that resources are obtained and used effectively and efficiently in the accomplishment of the organization's objectives” (p. 17). Since then the definition has been used as the basis for discussions and reworks of the topic by researchers (e.g. Chenhall, 2003; Ferriera & Otley, 2009). Chenhall (2003) presents a wide approach to the topic where management control systems include accounting practices such as budgeting as well as including clan and culture controls. Further, Merchant and Otley (2006) state in their article “A review of the literature of control and accountability” that “almost everything in the organizational is included as part of the overall control system” (p. 785). A narrower approach is presented by Merchant and Van der Stede (2007) and Abernethy and Chau (1996). In their work, the authors separate management control from the task of strategic control and define management control as the task of controlling the behavior of employees, making sure that employees are doing what the companies want them to do to ensure profitability.

In contemporary work, Adler (2011) proposes four main mechanisms (operating systems; organizational structure; organizational culture; training and development) utilizing a technical change facilitating order and control. Ferreira and Otley (2009) present a framework consisting of twelve questions in regards to “what” and “how” of the organization that would reveal a holistic view of structures and operations involved in performance management systems.

The presented approaches to the topic have been debated and criticized over time. Chenhall (2013) stated that by taking a narrow approach, (i.e. separating managerial and strategic control) would lead to a lack of oversight of all the parts of the operations possibly leading to diversions between strategy and operative work (Malmi & Brown, 2008). On the other hand, in an attempt to involve every parameter of the operations, taking the approach of wider control system (Merchant & Van der Stede, 2007). This would encounter the issue of creating and maintaining

the holisticness of the system that this approach would seek and handle the never-ending amounts of information to be processed in the system.

Furthermore, the work of Adler (2011) has been criticized for failing to explain potential changes over time (Reveley, 2011). Also Ferreira and Otley (2009) have been criticized for deliberately neglecting to answer questions in regards to the context of culture and the contextual findings/changes (Broadbent & Laughlin, 2009). We, the authors of this thesis, would argue that Ferreira and Otley's (2009) statement of revealing a holistic view would be hard to achieve considering the amount of information needed in order to accommodate the interest of all actors.

Based on the above, we argue that the aforementioned studies treated the performance management systems as sets of tools and components, which work solely and independently while disregarding the role of those who interact with the system. In addition, we believe that the role of non-human actors is negated in the overall success of the system (i.e. IT systems). Finally, we are inclined to believe that the above mentioned studies seemed to underplay the role of the ongoing changes and its effect on the way the system is produced and reproduced.

Therefore, by analyzing our findings in relation to the actor network theory (ANT), we will be able to look at the different actors involved in the processes and their roles in developing and using a performance management system. By taking a performative approach this will accommodate tracking the various processes of performance management as it travels from one actor to another. Latour (1986) stated that by taking a performative approach, this will make it possible to observe the idea of power (i.e. performance management systems for this research) as a consequence of a series of interactions rather than a cause of people's behaviours (Ibid).

Taking a performative stance as Vosselman (2014) advised could pave the way to understand how the framing of accountability practices were intended for a broader audience may make the present network actors, the funders, more indispensable; how accounting produces calculability frames that shape strategies and triggers matters of concern, thus giving shape to new strategic actors; and how accounting is a performative mechanism in a process of financialisation that impacted operational and managerial practices. This seemed to be neglected in the above previous research, therefore, the authors of this thesis intend to take into consideration the role of the actors (both internal and external) and to investigate how interests and interpretations of these actors construct the performance management system through a series of translation processes whereby answering the following research question:

*How are performance management systems translated within the Swedish energy sector?*

This thesis is structured into the following sections: First, the theoretical framework utilized in the thesis is discussed. Second, the methodology, including methods of data collection and analysis is presented. Third, the empirical findings are presented along with a short discussion for each part. Fourth, the overall discussion. Finally, the conclusion and suggestions of future research are presented.

## 2. Theoretical framework

### 2.1 Performativity

The term ‘performativity’ can be traced to Austin’s (1962) concept of ‘performative utterances’ and ‘acts of speech’ that instead of simply describing an existing reality, performs that reality. A well-known example is the ceremonial statement ‘I now pronounce you husband and wife’, which, if uttered in the right context, will produce ‘husband and wife’ (Mason, Kjellberg & Hagberg, 2015, p.2). Austin also distinguished three types of speech acts, namely locutionary or constative (the ostensible or normal meaning of the utterance), illocutionary (the intent of an utterance), and perlocutionary (the actual effect of an utterance, whether intended or not) (Gond, Cabantous, Harding & Learmonth, 2016, p. 445).

Performativity has been addressed by several scholars and through different perspectives (Austin 1962, Lyotard 1984, Butler 1993, Callon 1998, MacKenzie 2007, Barad 2003, 2007). However, and for the purposes of this research only Austin (1962), Callon (2010), and Barad (2003) will be taken into consideration. Barad (2003) advised that a “performative understanding of discursive practices challenges the representationalist belief in the power of words to represent pre-existing things” (p. 803). As such, Performativity, when being properly construed, is not designed in order to turn everything (including non-human actors) into words and meanings. On the contrary, performativity is directly opposing the excessive power granted to language to determine what is real. Barad (2003) continues to say that “performativity is actually a contestation of the unexamined habits of mind that grant language and other forms of representation more power in determining our ontologies than they deserve” (p. 802). Further, Barad (2003, 2007) provides a new vocabulary to describe how actors, objects and meanings are dynamically brought into being through the continuous flow of practice.

Callon (2010) discusses the different types of performativity stating that we would be wrong to limit our analysis to this first type of relationship, successful illocution, like a successful performance, implies the active presence of appropriate socio-technical agencements. As such an adjustment is always fragile and rare, the general rule is a misfire. We can choose to call this misfire overflowing, when we equate perlocutionary performativity (i.e. performance) with framing that, like any other, produces or, rather, ends up producing, its own overflows. Illocutionary performativity is a successful performance because it is able to make inactive and invisible the overflows or misfires that comprise any illocution but that will (perhaps) be discovered only later” (p. 164) Hence, perlocutionary performativity would imply that misfires or overflows are to be considered rules of the game (Ibid).

### 2.2 The Model of Translation-Actor Network Theory

According to Latour (1986) moving from an ostensive understanding to a performative, is important in order to create an understanding of the linkages between actors that are created each time new associations are formed in practice. Therefore, to trace performativity, taking a closer look at the different processes, actions and interactions between the different actors within the network, the model of translation developed by actor network theory scholars is utilized. This will help us in unveiling the intended and unintended outcomes of those processes

and interactions and led to that performativity. As defined by Latour (1986) the notion of translation occurs when an idea or object travels from one actor, both human and non-human, to another. Through the travel; the idea is interpreted and disassembled from its origin and reassembled in accordance to the contextual setting and understanding of the later actor. Therefore, through the translation process we will be able to identify the deviations from the initial intention and see what the collective presumption and as such the shared desire would become (Czarniawska & Joerges, 1996), which subsequently will lead to a better understanding of the performativity of the performance management system.

Another important aspect within the actor network theory studies is the the account of non-human actors within any network. Law (1992) states that machines and architectures must be considered to the same extent as people, as they are part of the heterogeneous networks as we are. Further, Law stated that if human beings form a social network it is not because they interact with other human beings; It is because they interact with human beings and endless other materials too. Non-human actors will be focused on as part of the performance management systems networks, and the role such actors play in the way the network produced and reproduced over and over.

Furthermore, the idea of not assuming a priori is another key aspect within the actor network theory studies; Law (1992) advised that If we want to understand the mechanics of power and organization it is important not to start out assuming whatever we wish to explain, which means you it's better to study how they became powerful and how such effects (i.e. power and organization) were generated, instead of assuming that they are powerful and take that for granted and start explaining that. Therefore, the historical events within the different networks shall be touched upon within this thesis.

By tracing the performativity through the model of translation, we intend to move away from the idea of performance as a dependent variable and as such move away from the often conceptually explained independent variables (Guerard et. al, 2013), further, looking at the performance management system from a performative standpoint would be helpful in understanding how individuals interpret the term performance into reality, Guerard et. al (2013) advised. Therefore, by deploying performativity; performance will be focuses however not on an ephemeral endpoint but on the rich web of doing and achieving that constitutes organizations as places for performing strategy (Ibid)

When using the framework of Actor-network theory in this study we are aware of the critique associated with the ideas/theories of ANT. Winner (1993) conclude that even though the use of Actor-network theory has "opened the black boxes" associated with social constructionism, the answers that are given through such findings are relatively hollow. Winner (1993) further argues that while showcasing how conflicts and consensus generate an interesting dynamic, "they offer no judgment on what it all means, other than to notice that some technical projects succeed and others fail" (p. 375). Whittle and Spicer (2008) elaborates the critique against actor network theory, calling it unreflecting and relying on performative politics, and while agreeing that actor network theory is useful for empirical analysis of organizational processes, it lacks in its ability to discover the unfolding of realities, taking into consideration the limits of knowledge in organizations and neglecting pre-existing structure.

## 3. Methodology

The following case study has been conducted using a descriptive approach as presented by Bryman and Bell (2015). The focus of this thesis is to give the reader an understanding of the context and setting in which each of the participating companies are operating (Silverman, 2011). With the help of our findings in the discussion and analysis we attempt to make a contribution to the field of performance management.

The aim is to investigate the outcome related to the implementation of performance management systems within the Swedish energy sector; thus a qualitative research method was used in order to facilitate the analysis to be based on a wide set of perceptions and opinions through the data collection method (Silverman, 2011).

### 3.1 Data Collection

In conducting this study, the information used as the primary data was gathered from interviews with different employees at the participating companies. By interviewing employees within different business functions and at different organizational levels, we were able to better understand how differences in functions and organizational levels could lead to different interpretations of the studied phenomena (Silverman, 2004). In order to gather sufficient data and facilitate a clear picture of how the performance management system within the respective companies are developed and used, interviews were conducted in a semi-structured format. Using a semi-structured format was considered necessary in order for the researchers to enable participants to elaborate on their interests and perceptions (Kvale, 2006). Further, this structure was suitable in order to give the researchers an opportunity to ask questions in response to the participant's answers to facilitate further elaborations. Upon agreements with the participating companies, each interview lasted 40-60 minutes, which was considered enough to gain an understanding of the respective respondents' perception and opinions. Primarily, interviews were conducted in meetings arranged at participating companies' facilities. Where face-to-face interview were limited due to time constraints or travel distances, interviews were conducted using telephone or videoconference. During the interviews the participants were encouraged to speak freely in order to give the respondents the opportunity to express their thoughts and their experience regarding the organization's operations. Throughout the data collection all interviews were recorded and later transcribed in the analysis process ((Martin & Turner, 1986). Further, in the interviews, we expressed our interests in the participants' reflections and expertise on the studied topic in order to facilitate the analysis and without expressing any interests in any specific information (Czarniawska, 2014). The aim of the interviews has been both to be informative and provide analysis of the companies' different contexts to aid us in the research.

In selecting which companies to include in the study, we focused on companies active in the Swedish energy sector. Several companies within the sector were contacted at an initial stage. However, only four companies accepted to participate in the study. The remaining companies that have been contacted were not interested in participating due to time limitations. The four companies chosen to participate in the study have shown both ability and willingness to dispose the amount of time and resources needed to sufficiently contribute to the aim of the study. The companies participating in the study consisted of three municipality owned companies, i.e. they are fully owned by each respective municipality and one company owned by an economic association consisting of two thousand members residing in the company-specific consumption



area. In addition, participating companies varied in size, number of employees, customers and turnover. In the process of selecting employees to participate in the study that can represent different organizational levels within different functions; comprehensive discussions were held with the companies in order to select those who can serve the best interest of the study in terms their positions and functions, where using a snowballing method may show biases in terms of selecting, it however extend the range of the empirical data collection and get a sufficient spread of interviewees within the companies (Kvale & Brinkmann, 2008).

In addition to the primary data, secondary data was collected. That included the annual reports, sustainability reports and the business plans. These were used to gain more information on the nature of performance management objectives, which proved useful when analyzed in relation with the interviews. Get more acquainted with the objectives through the help of these documents allowed a better understanding of the objectives and subsequently a better understanding of the performance management tools and objectives.

The table below show a brief description of the respondents within the four studied companies:

Company reference	Participant's position	Type of interview	Number of employees	Date and Duration
North Energy	CFO	Video conference	500+	75 min
North Energy	Chief controller	Telephone	-:-	50 min
North Energy	Strategic purchaser	Video conference	-:-	60 min
North Energy	HR Specialist	Telephone	-:-	50 min
West Energy	Chief of staff	In person	200+	60 min
West Energy	Business area manager	In person	-:-	55 min
West Energy	Project manager	In person	-:-	50 min
West Energy	Accounting assistant	Telephone	-:-	45 min
West Energy	Quality manager	Telephone	-:-	55 min
South Energy	CEO	In person	20+	60 min
South Energy	Business area manager	In person	-:-	60 min
South Energy	Accounting officer	In person	-:-	55 min
South Energy	Customer's service	In person	-:-	50 min
South Energy	Operating technician	In person	-:-	45 min
East Energy	Division Manager	Telephonne	300+	55 min
East Energy	Business controller	Telephone	-:-	50 min

### 3.2 Data analysis

To form an understanding of the studied phenomenon of performance management system, grounded theory-based study was considered to be a suitable method for handling and analyzing the collected data (Martin & Turner, 1986). Further, this method enabled us to make a comprehensive analysis of the setting in the participating companies, whilst limiting the extent to which the study could be affected by faulty or mislead perceptions (Turner, 1981). At the beginning, recordings from the interviews were transcribed to enable coding and categorizing of the data. Next, interviews were coded thoroughly. After the completion of the coding

process, the codes gathered from the transcribing process were categorized in four different themes and in relation to their relevance to our focus of study. These themes are: (1) How the performance management systems are developed (2) How performance management systems are used (3) Why companies develop and use performance management systems (4) The implications of social, legislative, and environmental implications on the use and development of the performance management systems (5) reports and meetings (6) objectives cascading process (7) follow up methods (8) performance evaluation methods (9) customers as a way to measure performance (10) the role of employees, managers and board of directors in developing the system. As the clusters of relevance became clear, the themes were compared one to another in order to find connections between them and thus providing essential findings to the study (Czarniawska, 2014).

By connecting the themes, we were able to discover three main categories by which the development and use performance management systems throughout the companies may lead to control (either intended or not). These main categories are as follows: (1) Performance management systems as tools to achieve profitability (2) Performance management systems as tools to adhere to laws and regulation (3) Performance management systems as tools to follow market trends.

The data then was analyzed in relation to the theories of social sciences, specifically the translation model and the performativity studies. Through looking at the translation model developed by the different actor network theory, we were able to analyze the main categories as a set of processes, which enabled a more thorough analysis of the data. Furthermore, we were able to explain how performance management systems are translated and interpreted by the different actors in the best way that serves their interest and within the different context. This analysis was done in an attempt to touch upon the oversight ambiguities in the previous research and explored in this research through following a series of translation process employing the chosen theoretical framework.

### 3.3 Limitations

The selection of companies was based on a non-randomized method, therefore, the companies must be seen as first and foremost representing themselves, thus the result of the study are not compatible to be generalized for the industry as a whole (Cohen, Manion & Morrison, 2011). Furthermore, whereas all participating companies are either owned by a municipality or an economic association and function to primarily serve the indirect owners of respective company (either municipality citizen or association members) no specific attention has been given in regards to the owner structures of the respective companies.

### 3.4 The setting of the study

Our study aimed at studying the performance management system development and use in the Swedish energy sector. The four participated companies confirmed that having a performance management systems was not an arbitrary process, rather it was developed over time to answer the different changes. Three of the participating companies explained that they used to operate their functions through a unit within the municipality operations. However, and after the energy

market deregulation (as explained earlier), the companies were decided to work independently as separate companies that are fully owned by the municipality. The transformation required having separate budgets and objectives, in addition it entailed a growth in size. This in turn required a coherent system if to achieve the strategic objectives for these companies. The respondents of our study showed that the main reasons for having a performance management system, in order to correspond both to the micro (i.e. departmental level) and macro (i.e. national level) contexts, would fall into one of the following categories:

- Ensuring Profitability through the achievement of the organizational goals and objectives.
- Adhering to the laws and regulations.
- Following the different market trends, such as: ISO certifications; and sustainability.

The abovementioned categories, as found in the study showed, entail different processes that the system go through in order to evaluate the overall performance successfully, and as it will be explained in the following section.

## 4. Analysis

In the sections below, we will present our analysis based on the conducted interviews, showing how the performance management system and the different translation processes serve the interest of performance evaluation as it is translated by the different actors and how the different translation due to the different interest may lead to unfold the system to serve as control mechanisms

The analysis will be presented in sections related to each of the aforementioned categories. Each section will be followed by a specific discussion that shall be summarized in the general section.

### 4.2 Performance Management Systems as tools to achieve profitability

Achieving profitability, our study showed, is translated through a manifold of actions, interactions and different interpretations of the actors (human and nonhuman). Therefore, to understand how ensuring profitability turned out to serve the interest of control unintentionally, we will shed some light on some of the actors' interactions and interpretations by looking through the different processes within the performance management systems.

#### 4.2.1 The business plan

The so-called business plan is a document, which through the main organizational and strategic objectives are set and defined. Key performance indicators (KPIs) are also defined and designed in accordance with the main objectives on both the organizational and departmental levels within the business plan. The business plan as the study showed is also used for monitoring the progression of the objectives and KPIs.

Our study showed that the business plan is not only developed to ensure profitability through achieving the strategic objectives, but was also cited to be one of most fundamental component of the PMS for these companies, through which the main objectives (both quantitative and qualitative) as well as roles and responsibilities are defined and used as an input in the performance management system.

We have the so-called business plan; each business area has to describe their targets for the business. Then this business plan is given to the managers to reflect it on their activities. The business plan mainly contains the main goals which we want to measure throughout the year (Chief of staff, West Energy)

These business plans, as the study showed, are translated as it moves from one actor to another. Interviews showed that at the beginning the primary directions, which reflect the business needs, are set most of the time by the owners and the boards of directors, who seemed not only to have the final say on approving the business plan and the performance systems, but also play a critical role in advising on the way the system is developed.

Therefore, the owners of the respective companies, through their board of directors, set the main business directions and objectives, which based on systems are developed to meet these needs. Two managers of who we interviewed advised the following:

I am reporting to the board ( In a ‘board seminar’) we analyze our surroundings and establish a business plan for the coming years (CEO, South Energy)

Targets and objectives in the business plan are set according to the board and owners. (Chief of staff, West Energy)

The different actors’ actions and interactions, the study showed, did not only affect the way board of directors based their decisions and the way they set the business directions, but also the way the performance management system translated to came to its realization during both the development and use phases. The performance management systems is produced and reproduced due to the actions and interactions between the different actors such as: Customers; laws and regulations; political and environmental events; IT systems; and regular meetings. The intended outcome of the system is to ensure having a functioning set of business activities that ensures that all the actors are working towards the achievement of the organizational goals.

Once the main directions are set and agreed on, the top management through their managers and their teams, has to translate these directions into measurable objectives and activities to be approved by the board of directors, The Chief Financial Officer for one the companies commented:

We get the decision of the board of the group for approving the business plan, then we start involve all the managers in the different areas who

break down the strategy something that is called operations and activities plan that has to be put together by all the different areas and unit and all the way down to the business department and then, almost with that we start the budgeting process because the budget is more or less connected with the business plan, in the budget you get the numbers on all the activities that we have to meet (CFO, North Energy)

The above seemed to be done through the regular meetings between the managers and their teams, where discussions start to take place to come up with a comprehensive plan of activities that correspond to the business directions set by the board of directors while taking into account the micro level aspects.

The top management however expect the middle manager to cascade these activities and objectives down to the employees' level due to their crucial role within the organizational operations, especially when it comes to dealing with customers, one top manager mentioned in the interviews:

Therefore, we need for our managers to cascade the targets down to department level and even individual level (CFO, North Energy)

Albeit the above is not the case; according to most of the respondents however, the plan is being cascaded down implicitly, and through the work tasks distribution to their followers, and with no need to have such as written and documented KPIs. One of the top management at the same company advised:

As our strategy is approved and confirmed we move over to the planning of our activities within the company. Our activities are based on each of business area. From this point they are broken down (cascaded) in different manners across the different business area and different employees (Managing controller, North Energy)

Where most of the employees agreed that the departmental objectives are adequate to measure and manage their performances, other employees stated that having an individual KPIs and specific objectives in writing, should lead to a better understanding of their roles in the value creation cycle, and enhance the way employees' performances is measured and monitored, a member of the business plan development team stated:

Therefore, we need for our managers to cascade the targets down to individual level. In that way we can be able to monitor the work on a daily basis. (Strategic purchaser, North Energy)

The above shows how the idea of performance management was translated differently due to the different interpretations of actors. The top management believed that the objectives had to be cascaded down to the employees' level, where both the middle managers and their team believed otherwise, however, the cascading of the system has happened and is still happening implicitly and due to different interrelation actions between the actors.

As the managers and their teams work on translating the objectives into actions plans, such was driven by another actor; the customer, the study showed. Customers seemed to play a key role in the way the performance management systems developed and used. The companies include customers by taking the feedback collected from the customers through surveys, indexes and regular meetings after; and during the development and use of the performance systems as inputs in the business plan; . One participant stated about the importance of customers' feedback:

We do include our customers in the business plan setting through surveys, index (e.g. happy customer index), focus meetings (inviting households to meetings), and we do include our customers in our operation... Using surveys (quantitative) to measure customer satisfaction, we benchmark with other companies and also have discussions (qualitative) with customer-panels that we invite to our office. (Chief of staff, West Energy)

For example, the number of complaints (to have 85% customer satisfaction), we measure that using different surveys directed to the customers and that takes into consideration the results of other companies as well. Another is the amount of sewage water that is to be cleaned (Business area manager, West Energy)

The above shows how the idea of the business plan and performance management is translated due to the feedback of the customers. The managers and their team have to take into consideration how the customer perceive the service they are providing, especially as the studied companies are service-based companies. Therefore, the business directions of the board which are translated into actions plans, are probably to be affected by the feedback of the customers. Which if a successful profitability is to be achieved; the feedback of the customers is as well driving the actions of the employees and their manager while using the system which leads the system to be continuously produced and reproduced.

We argue furthermore, that the inclusion of customers imposes a certain amount of control on the actions of the managers and their teams due to its externality, which is hard to be avoided by the internal actors of the companies. Further, any failure to correspond to it will lead to not achieving profitability, for instance, employees while providing a service will always know that any mistake will be reported to the top management through the received feedback.

While the above shows the importance of human actors' role in the translation of the performance management system idea to achieve profitability. The role of non- human actors was also appeared to be crucial in doing so. Therefore, in the following we will discuss how the technological tools and meetings takes place in the system translation process.

## 4.2.2 Technological tools

The technological tools are information technology based platforms, which have been developed at most of the companies in concern, are used as a complementary object to the business plan to serve the purpose of proper spread of information to the company's different actors. Moreover, the technological tools are used to define, set, and monitor the different objectives and activities, to minimize the risk of not achieving the required rates of profitability. Interviewees advised:

We have a system called the 'Pyramid' through which goals and objectives are set, discussed, communicated and monitored (CFO, North Energy)

We have an IT system and it's used for the entire company. It manages the flow of information and monitor all activities and the way these are being reported. The system minimizes the deviation and risk possible. (Quality manager, West Energy)

We work with an IT system through which we visually show how our operations are reflected in our budget, This is more used by our top management where they have the ability to follow up on their proceedings and separate targets. (Managing controller, East Energy)

As seen above, having such tools paves the way to improve and enhance the way performance management functions. Further, and as the idea of performance management to achieve profitability translated, employees will have to take into considerations that their actions are monitored, both during setting the business plan or performing their daily activities. As such ensures a proper spread of information, which are of paramount importance to the success of the different related functions, and the minimization of any potential deviation of the activities that would lead to poor performance. It does however control the actions of the actors, being aware that their performances are monitored almost on a daily basis, and while trying to avoid such poor performance to save face (will be discussed as part of the following section).

## 4.2.3 Meetings

The regular meetings, the findings showed, is one of the main ways of developing and monitoring performance, and exchanging information among the different internal (e.g. managers, employees) and external actors (customers, government officials). Most interviews showed that through these meetings; work progress is discussed, obstacles that could hamper that progress are discussed, and solutions to overcome the issues are formulated. Responding participants advised about these meetings in different ways and as the below show:

On the employee level changes take place on the normal old fashion hierarchal way, Monday we have management meetings, and then middle managers have their meetings with their employees on Monday afternoon

where we take the decisions on the next level. For example, we discuss if we have to change any activity or change the way we perform any other activity or a certain KPIs. Of course if the change is big and require board approval then we schedule an extra board meeting. (CFO, North energy).

As seen above, meeting are similar to IT tool where the idea of performance management, through following the objectives set in the business plan, is translated and retranslated to cope to the constant changes that come along the way of operations. Which means that the activities keep changing as they travel among actors, further, the way the employees on the floor perceive as perform their daily tasks. Having such regular meetings, we argue, show how these meeting would enforce control on the employees' actions due to its frequency, to emphasize; employees will be always expected to report delays in work or poor performances so such to be rectified in a timely manner. This as well shows how meeting as a non-human actor play a role in affecting the actions of the human actors as the idea of performance travels.

Furthermore, meetings seemed also to play a crucial role in the way employees are being evaluated. Although the controversial view of the employee's' direct engagement in the organizational objectives of the systems, the performance of the employees was still measured through a special type of meetings referred to as "annual performance appraisals", which is a complementary tool for the business plan aimed at evaluating the performance of the employees. The emphasis of these appraisals are mainly on the behaviour competencies, and with a small part focusing on the work done to achieve the departmental objectives. the interviewee said:

Annual performance meeting is more of a discussion on general factors, like required training, competencies, and work cooperation. (Chief of staff, West Energy)

However, controversially with the managers' view of the importance of the business plan; the departmental objectives; and the activities plans to achieve the organizational goals including profitability, managers advised also that the main focus is on behavioural aspects when it comes to individual performances:

Our annual evaluation meeting is more of a discussion on general factors, like required training, competencies, and work cooperation (Chief of staff, West Energy)

The only thing we measured is how employee cooperate with each other, and how we like the work environment. We don't have individual KPIs only for the department. But happy employees lead to happy customers. (Strategic purchaser, North Energy)

This focus on the behavioural part of the performance, we believe, has a great relation to the way performance is achieved, governed, and controlled. Most of the employees



interviewed stressed on the importance of the behavioural aspects to achieve the organizational goals such as profitability.

Feeling of responsibility and engagement play a very good role in performing the way it should be and towards the achievement of the goals.  
(Business area manager, West Energy)

I think it has to do with pride for your job. (Project manager, West Energy)

The above mentioned controversies among the different actors as the idea travels, and the different interpretations by those actors led to the important question of “How these companies deal with poor performances” and the consequences on the profitability. Top and middle managers advised that the focus is more on the overall departmental achievements, rather than on the individual's' performance, and that's due to the nature of the business and the different interferences that are mostly uncontrollable by those in charge of the different activities.

Normally in my previous experience we tried always to have immediate actions when there is a huge deviation in the budget. But when it comes to energy companies the reasons for deviation is what matters. In the energy sector sometimes the deviation is caused due to factors that we have no control over, external ones, and sometimes difficult to react immediately. Rain for examples if it was heavy and continuous for week could have an effect on the prices of the energy. (CFO, North Energy)

Despite of the above view uncontrollable performance translation (e.g. rain), the idea of performance management was translated differently as it travels between the actors; the manager believed more in the behavioural aspects role in building an environment that is driven by values, which would ensure compliance to the departmental objectives by the end of employees and would also ensure achieving the required profitability. Employees felt the responsibility to do their jobs perfectly without the need to have specific objectives which would provide freedom when working.

### Performance Management Systems as tools to achieve profitability Discussion

In this section we will discuss how the idea of performance management was translated to achieve the purpose of evaluating the performances in relation to profitability. Nonetheless, the different production, reproductions and interpretations of the idea by the different actors have led the different tools of the system to work as a control mechanism as well.

Latour (1986) advised that the “spread in time and space of anything is in the hands of the people; each of these people may act in many different ways, letting the token drop or modifying it” (s. 267). This we argue was as well apparent in the way the different tools was interpreted by the different actors to serve their interests. The business plan, for instance, was perceived differently by the managers than the board of directors, and each actor's interpretation seemed to play a role in modifying the idea.

To elaborate, the idea of cascading the objectives to the employees' level seemed to be perceived differently as it travelled from the top managers to the middle managers to the employees. Top managers advised that the objectives should be cascaded down to the employees' level, where the middle managers and their employees believed otherwise. However, the objectives are cascaded through the distributions of the work assignments to the employee. These assignments were originally derived from the objectives and reflect an implicit form of the cascading. Further, it was followed up on through the regular meetings and the IT systems to ensure compliance. Which in turn made the employees feel that they are working freely to achieve the departmental goals, even more feeling that having departmental objectives is adequate to get the job done.

Moreover, the same applies on the way performance appraisals were perceived by both the managers and their employees, where the former believe that focusing on the behavioural aspects would lead to an environment driven by values, the latter perceived that focus as something that would guarantee some sort of freedom when performing the daily tasks. Although both perceptions were compatible, yet they served different interests. Nicolini (2010) advised that at each step, the idea or practice is likely to be somewhat reinterpreted and modified in order to fit the interests of the new imitators. The process of translation is thus always open-ended and uncertain and instead of a process of transmission we have a process of continuous transformation.

The above leads to another important aspect in the translation process, which is the role of non-human actors, which according to ANT are as important as human actors to result in the existence of any social construct. Non-human actors become actants when they are afforded the capacity to act (i.e. agency) (Handelshögskolan, 2016). The business plan; the regular meetings, the budget, and the different information technologies, showed in our study, become actants as they are deployed to facilitate the use and development of the system. Accounting technologies, precisely as technologies, are given a central role. They enable particular kinds of action when they become part of a larger network, consisting of both human and non-human actors. For example, accounting inscriptions enable action and distance (e.g. Robson, 1992), giving visibility to "invisible" objects (e.g. MacKenzie, 2009); they make the absent present (Justesen & Mouritsen, 2011, p.184).

Furthermore, having such non-human actors would not only facilitate the actions of employees; enable proper communication channels, spread of information, and setting; visualizing; and monitoring the objectives, but also passively monitor the performances and daily activities to guarantee full compliance to the profitability objectives, and that of course due to the agency given to these non-human actors by the companies.

Nonetheless, and to avoid negligence and inaction by the employees without making them feel like someone is over their shoulders, following up with them regularly and in a casual manner through group meetings was a key factor for succeeding that on the one hand. and focusing on the behavioural aspects during the performance appraisals on the other. The latter, we believe, has built a self-monitoring tool for the employees to achieve their jobs perfectly using both their personal and the company's values. Therefore, as explained in

the analysis, values, meetings and the IT systems, which were put in place initially to evaluate performance, turned out to become a control mechanism due the way employees and managers translated the idea of performance management to ensure profitability.

Nonetheless, developing and using the performance management system to serve other interest could also play a role in the way the system unfolds differently than intended; such as laws and regulations, which will be discussed in the following.

### 4.3 Performance Management Systems as tools to adhere to laws and regulations

Laws and regulations, enacted by the Swedish authorities to manage the Swedish energy sector activities, were identified as key components when designing, developing, and using the performance management. Interviewees showed that laws and regulation was not only regarded as a component of the performance management system development, but also as a driver to use the system. Employees involved in operational work as well as managerial staff mentioned in interviews how satisfying the requirements of the authorities functions as a guidance for their daily activities. As such, changing laws and regulation becomes an important factor to consider in reporting and decision-making processes involved in e.g. resource allocation, maintenance and investments.

We have to see what's happening in the society, If you don't deliver electricity service to the customers then some fine will be paid to the authorities. (Division manager, East Energy)

Laws and regulations seemed to be present during the entire translation process of the performance management; starting from the key directions setting by the top management and the board through the development of the objectives and action plans by the middle managers and the employees. To elaborate; Laws and regulations are initially set by the government to ensure sufficient (continuous) supply of electricity and heat to consumers within the studied companies' areas of operations, and failing to deliver services would lead to repercussions from the authorities (i.e. financial fines to compensate customers or possibility of prosecution) due to the criticality of the service. Which has to be as well reflected in the way the performance management developed and used, One manager stated:

Before we set the strategy and the PMS and its tools and components, we discuss the new legislations that affect our line of work and then we agree on that, it's a two-way agreement, but it starts with the top management guidelines. (Business area manager, West Energy)

By designing the performance management system and the subsequent work activities through contemplating the mandated laws and regulation, as seen above; the idea of adhering to laws and regulations is translating to take another direction that serves the purpose of performance evaluation to ensure appropriate performance by the different

actors. Furthermore, and due to the fact that laws and regulations are to be adhered to by the different actors within the companies; employees explained that such has to be taken into consideration when performing the different work activities:

I mean for the purchasing; we don't have any direct KPIs not for the department or the individuals; we somehow use the law as one of our direction on how to work. (Strategic purchaser, North Energy)

The above has created a constant reminder for the employees about the importance and necessity of their daily assignments to the overall performance. Furthermore, it creates an urgency for the employees to be aware of the consequences of not adhering to the laws and regulations. And unintentionally translates the role of laws and regulations from an evaluation tool into a control mechanism of the employees' actions.

### Performance Management Systems as tools to adhere to laws and regulations

#### Discussion

The above shows that laws and regulations are set by the government to manage the services provided by Swedish energy companies (i.e. heat and electricity), these services are crucial for the residents and businesses of the areas served by these companies. *This process*/which in turn includes the laws and regulation as a tool to evaluate the performance as doing so serves its best interests of adhering to the laws and regulation while minimizing poor performances. The idea was/is on the other hand interpreted differently by the employees and in a way that serves their interest, to emphasize; as the laws and regulations are/was used as a way to evaluate their performance, the employees realized/s the importance of showing full commitment to consider laws and regulations when performing their activities. And subsequently laws and regulations end up controlling their actions. In Latour's (1987) words by Nicolini (2010) advised it follows that translation processes are always anchored in local contexts: the new ideas have to resonate with local interests in order to be taken up, and the way in which they will be attributed meaning will be heavily dependent on the local existing conditions.

The above leads to another aspect, which actor network theory scholars have given prominence to; the mechanics of power. Law (1992) advised that in order to understand power it is important to not start out assuming whatever we wish to explain. In other words, the powerful is powerful because their followers grant them this power (Ibid). The laws and regulations and the consequences of not following them, we believe, depict a powerful position enacted by the government. Although the translation of the idea of laws and regulation came to prove this point through controlling the actions of employees as it travels among the different actors. We argue however that this happens as the employees agree to follow the laws and regulations and not because the power laws and regulations stand for. In Law's (1992) words, it means that notwithstanding the dreams of dictators and normative sociologists, there is no such thing as "the social order" with a single center, or a single set of stable relations. Rather, there are orders, in the plural. And, of course, there

are resistances. This agreement comes of course to the table as it serves the managements, the employees, and the government's interests.

#### 4.4 Performance Management Systems as tools to follow market trends

Alongside previously mentioned performance management manifestations, our study showed that energy companies take, or have to at times, into considerations the different market trends when designing and using their performance management systems. Such market trends when merging within the network of performance management system seem to help in serving the purpose of such system to better evaluate the performance, and minimize poor performances, while achieving the unintentional goal of control.

##### 4.4.1 ISO Certifications

Another crucial input, as pointed out in interviews, in regards to both the development and use of the performance management, is obtaining quality certificates, specifically ISO certifications, through which efforts including all organizational levels are deployed to acquire the accreditation and the reaccreditation.

Looking back, we were a small company, we did not have any certifications (ISO)... As the company grows you have to be more precise, specific and rigid in handling information. We needed to have this sort of proper channels that ensure proper spread of information. Further, the regular audits became a key part in our performance management systems and helped us improve the performance (Chief of staff, West Energy)

As seen above, such certifications are obtained for the purpose of enhancing the quality of communications, and having standardized work procedures that may increase the quality of work. This and in addition to the regular audits conducted by the certification body personnel make the process of including the certifications requirements when developing and using the performance management systems more rational for the Swedish energy company. That due to the fact the performance management system is developed and used with the intention to evaluate, monitor and improve performance. One employee said:

The certifications helped us improve the work procedures, improve the quality of work and gain legitimacy in the market (Managing controller, North Energy)

Furthermore, some of the certification requirements seemed to be beneficial for mandating certain activities which are crucial for accreditation and reaccreditation, which in turn improves the way the work is done. The chief of Staff for the West Energy stated:

The management have a meeting every month and that's a demand by ISO (Chief of staff, West Energy)

Based on the above, we urge that such certifications when deployed as part of the performance management system is helpful in achieving the intended goals of the system to evaluate and enhance the performance. Nonetheless, having the certifications and its following requirement such as; the regular audits and the standardization of the work processes, seem to play an unintended role besides performance enhancement and standardization, that is the control of the actions and behaviors of employees if they are to be successful in passing these audits.

In other words, such control plays a role in minimizing poor performances; by having employees adhering to these work standards, or by detecting any lack of performances on an early stage and provide the needed corrective actions. Which eventually will lead to a better achievement of the organizational goals and objectives.

#### 4.4.2 Sustainability

For most of the business sectors nowadays and maybe with a greater emphasis for the energy sector; environmental concerns seemed to have its effects on the way performance management systems are developed and used. The study showed that energy company has to be sustainable to be considered profitable as making financial profits is no longer the only factor for that.

Furthermore, being an industrial sector in nature, the energy companies' operations might directly or indirectly affect the environment. Therefore, developing the performance management system requires a great amount of consideration on how environmental concerns should be embedded and measured within these companies. Goals and objectives, that are aimed at considering and measuring the environmental friendliness within the various activities, were developed as part of the performance management system.

We have developed sustainability as part of our performance system, we have a certain sustainability report that is separated that we publish it at the same time as the annual report, it's very important aspect for us (CFO, North Energy)

Although measuring sustainability can impose a challenging task for the companies due to the fact that it is qualitative in nature, most of the companies advised that they have come to develop ways to measure that efficiently and effectively such as: minimizing the CO2 emissions or by using environment-friendly materials in their operations:

At the moment we are focusing on the emissions from our power plants and we want to strive to become CO2 emissions-neutral. We don't want to provide more emissions to the air in our production by 2018 (Managing controller, East Energy)

Putting more emphasis on the environmental issues was driven by the interests of many, such as: laws and regulations, and legitimacy. Making financial profits, as mentioned before is no longer the only factor for energy companies to claim profitability, as taking

the different measures and precautions to ensure sustainable operations weight the same as being financially profitable for the Swedish energy sector.

### Performance Management Systems as tools to follow market trends discussion

Looking closely at the above interactions between actors, and the different directions these interactions take as a reaction to the ever-changing environment and the different interpretations of the actors, it can be noticed how that shaped the system differently than intended. For instance, most of the companies mentioned that they have adapted ISO certification and sustainability reports for legitimacy and performance management enhancement. Czarniawska and Joerges (1996) argued that following fashion can thus be, in a private enterprise, a way of keeping abreast of the competition, and in public administration a way of keeping novelty (p.35), which is apparent in the reasons why companies (both municipality owned and private companies in this study) choose to follow the market trends.

The purposes we believe have been achieved as the companies included these as part of the systems they develop and use to improve performance. However, as the idea of these trends was interpreted variously as it travelled among the different actors, and in a way that it serves their interests. For example, incorporating environmental concerns as an interest of performance make the employees strive to achieve a better performance, while feeling good about themselves for being an effective member in the society, which in turn serves both professional and personal interests.

The same applies to the audits carried out as part of the accreditation and reaccreditation. Initially, the audits were included as part of the performance management system to better evaluate the work activities due to its unbiasedness and regularity. This in turn encourages the managers and employees to follow more patterned ways of doing work activities to avoid any noncompliance with the audits requirements. While the work procedures that are audited helped the employees to enhance quality of work, this however served as a tool to govern and control how work activities are carried out. In other words, employees have to follow the work procedures if to succeed in these audits. Czarniawska and Joerges (1996) argued that fashion is created while it is followed. It is the subsequent translation which at the same time produces variation in fashion and reproduces it (p.34).

In the following section, we will provide a general discussion of our analysis and shed some light on the performativity of the performance management systems.

## 5. Discussion

Based on the above analysis, it can be postulated that the development and use of the performance management systems are affected by the interactions, perceptions and interpretations of the different actors who are translating the system to continuously adapt to ongoing changes. Although our analysis showed that the system is translated to achieve

various objectives (i.e. profitability, adherence to laws and regulation, corresponding to market trends), we believe that these objectives cannot be treated independently as they all serve to achieve the strategic success of the organization.

Adhering to the laws and regulations would minimize poor performances, which in turn may enhance the possibilities of achieving an increase financial profitability. Additionally, following the market trends would legitimize the company's presence in the market and increase their ability to attract more customers and subsequently increase profit. Therefore, looking at the idea of the performance management systems, the different translation processes come together in a network to achieve the strategic objectives. In Law's (1992) words, the end product of a lot of hard work in which heterogeneous bits and pieces (i.e. human and non-human) that would like to make off on their own are juxtaposed into a patterned network which overcomes their resistance.

By looking at the different translation processes as evaluation tools, the idea of the performance management systems in relation to our analysis has taken different directions. Some of which were in line with the initial intentions (i.e. evaluation and performance enhancement). While others were realized unintentionally due to the interpretations of the actors within different contexts (i.e. control). The translation processes keep producing and reproducing itself, which makes for an interesting starting point for us to study the performativity of the performance management system. Guerard et al. (2013) argues that researchers should utilize the concept of performativity in studying the different accounting phenomena. By tracking the evolution of organizations over time via a process-based qualitative analysis, this would assist to better understand how organizational behavior shifts in response to performance outcomes and how that behavior in turn generates unexpected consequences (Ibid). In addition, most of the accounting studies inspired by Latour's work focus on accounting change. From a constructivist perspective, change is not understood as the consequence of linear, rational improvements or functional adaptations to new demands in a changing environment. Instead, accounting dynamics are viewed as the outcome of historical, contingent processes in which new accounting constellations appear because of heterogeneous elements (Miller, 1991), such as different groups of people, different vocabularies and various technologies that are temporarily linked together at a particular moment in time (Justesen & Mouritsen, 2011).

Austin's (1962) concept of 'performative utterances' and 'acts of speech' that instead of simply describing an existing reality, performs that reality. In relation to our study, this idea can be understood by looking at the effects (different tools and components of the performance management systems) they have on the way the different actors act upon receiving the idea of the performance management system. In addition, whether the utterances of the performance management tools (presented in meetings, business plans, IT systems) perform the intentions of the systems. For instance, the business plan is developed to manage/evaluate performance and the plan is approved, the business plan starts to evaluate the performance of the employees and the company. Similarly, the IT systems are developed to monitor the performance and actions of employees. Gond et al.



(2016) states that organizations are performed through the constitution of networks of communicative practices as they are literally ‘talked into existence’ (Weick et al. 2005, p. 409). Thus, CCO studies highlight how communications, on their own and through their materiality, shape the stabilization and repetition of organizational activities. They do so by revealing: ‘the active contribution of texts (especially documents) to organizational processes: that is, on the ways that texts, such as reports, contracts, memos, signs, or work orders, perform something’ (Cooren 2004, p. 374).

According to Austin (1962), the previous example of the business plan is considered to be illocutionary performativity (the intent of an utterance) which also applies when assigning tasks to the employees as part of the performance management. The act of assigning tasks implies an order, which the employees follow as they receive it. Subsequently, employees will meet or exceed the performance expectations. Although Austin (1962) differentiated between three types of performativity, Judith Butler in Callon (2010) pointed out that the Austinian thesis cannot be reduced to illocutionary performativity to which it is often wrongly equated. It also includes perlocutionary performativity (Ibid), which we believe can be noticed in the way the performance management systems at the studied companies were translated by the different actors.

For instance, the laws and regulations are enacted by the government for the companies to comply with, and as companies adhere to these laws and regulations that would mean compliance. This compliance represents illocutionary performativity, however the effect of this compliance is control which stands for the perlocutionary performativity. To elaborate, embracing the laws and regulations by the managers and the employees within their activities would stand for the compliance. However, being aware that not following these laws and regulations would lead to legal consequences, which in turn controls their actions.

Callon (2010) advised that when equating successful illocution with perlocutionary performativity with the active presence of the appropriate socio-technical agencements, which are rare and fragile; the rule is a misfire that is discovered on a later stage of the process. For example, the business plan was developed as part to evaluate departmental objectives, however, it ended up serving as a control mechanism, which can be construed as a misfire. As mentioned earlier, Judith Butler in Callon (2010) stated that we would be wrong to limit our analysis to this first type of relationship.

Furthermore, perlocutionary performativity implies that misfires are the rules of the game. The constitution of economic markets (i.e. performance management systems in this research) is no exception to that rule: it is an ongoing process, constantly restarted. Further, the distribution of an idea has no origin; the idea is not performed once and for all and never permanently defines what is political and what is economic. This (re)distribution is therefore constantly tested, criticized, debated, reconstructed and consequently subjected to endless redefinitions and reconfigurations (Callon, 2010). This was shown previously through following the different translation processes of the performances management systems idea.

On the same note, Butler (2010) provides a useful example of such perlocutionary effects: A politician may claim that ‘a new day has arrived’ but that new day only has a chance of arriving if people take up the utterance and endeavour to make that happen. The utterance alone does not bring about the day, and yet it can set into motion a set of actions that can, under certain felicitous circumstances, bring the day around (Ibid). Therefore, we would argue that the different effects of performance management systems performativity can be overlooked if those who perceive the idea choose not to accept it.

Based on the above (which contradicts with the previous research), we strongly believe that performance management systems should be studied in as it's progressing in real time rather than a pre-made product that can function solely as a set of tools and components that would work within any contexts (Kjellberg & Helgesson, 2007). It should further be looked at as an effect rather than a cause (Latour, 1986). In addition, performance management systems should not assume a priori in serving any interests and should be looked at as sets of processes that keep taking different directions as it travels among the actors involved (Law, 1992).

## 5. Concluding remarks and future research

Relating back to the research question of our study, the aim was to understand how performance management systems are developed and used within the Swedish energy market. Our study was conducted based on the collected data from four different energy companies, three of which are municipality-owned companies and one is a privately-owned company. By using the translation model, developed by actor network theory scholars, the systems were explored as a set of processes and without presuming any priori of what are the intentions of developing and using these systems. Through the translation mode we were able to look closely at the different processes of the investigated systems and at the role of human and non-human actors on the way the system unfolds whether as intended or not. In addition, to understand how the performance management systems talk into existence and in relation to the interpretations of the actors, the systems were looked at from a performativity perspective, which through we explored how the different tools of the systems can be interpreted intentionally and unintentionally in response the utterances of speech including both human actors' speeches and non-human actors' utterances, which are represented in the different performance management documents (e.g. business plan) and the role of actors' acceptance to achieve that performativity. The study revealed that the investigated systems have taken different directions than initially intended due to different actors' interpretations of the systems. Furthermore, the study displayed that performance management systems are more than just a set of tools and components that can be developed once and for all. Rather the systems keep producing and reproducing themselves as they travel among actors and their distinct interests. Consequently, the main insight of this study is that performance management systems are in practice more complex than the theory assumes. Therefore, and due to this high degree of complexity, we highly urge companies to invest more time and effort to better customize their performance management systems in a more flexible way that can responds the ever-changing

environment. Lastly, we believe that future studies should be conducted to further examine the topic of performance management systems herby revealing their complex and ambiguous nature. In addition, we stress on putting a greater emphasis on the private energy companies in the Swedish market, which was not explored thoroughly due the access limitations.

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