

Contents

1	Controllers, controllership and controlling:	
	Basic principles and categories	1
1.1	Introduction	1
1.1.1	Terminology	1
1.1.2	Basic approach	2
1.2	The practice of controlling: first impressions	3
1.2.1	A brief description of how controller positions emerged in the USA	3
1.2.2	The evolution of controllership in Germany	7
1.2.3	Empirical findings on the current state of controllership	10
1.3	Development of controlling as an academic discipline	15
1.4	Controlling conceptions	18
1.4.1	The ICV's practice-based conception of controlling	19
1.4.2	Controlling conceptions in the German-language literature	20
1.4.2.1	Controlling as an information supply function	21
1.4.2.2	Controlling as results-oriented control	22
1.4.2.3	Controlling as a coordination function	24
1.4.2.4	Controlling as assuring the rationality of management	28
1.5	Selected controlling-related accounting theories	29
1.5.1	Accounting theory based on institutional economics	29
1.5.2	Behavioral approaches: behavioral accounting and controlling	31
1.5.3	Alternative accounting theories	32
1.6	Summary	35
2	Controlling: assuring management rationality	37
2.1	Deriving the controlling function from controllers' tasks	37
2.1.1	Starting point of the analysis	37
2.1.2	Typical characteristics of managers and controllers	39
2.1.2.1	Overview: elements of an economic modeling of human beings	39
2.1.2.2	Modeling managers and controllers	41
2.1.3	Controllers' tasks derived from the characteristics of managers and controllers	43
2.1.3.1	Controller tasks as a result of delegation by managers	43
2.1.3.2	Differentiation of delegation-based controller task types	44
2.1.3.3	Assuring rationality as a task for controllers	47
2.1.4	Controlling as assuring the rationality of management	48
2.2	Rationality and how to assure it	50
2.2.1	The concept of rationality	50
2.2.2	Levels of rationality	53
2.2.3	Assuring rationality	54
2.3	Next steps	58

3	The context of controlling: coordination based on plans	61
3.1	The management cycle	62
3.1.1	Management by an individual manager	62
3.1.2	Interaction between managers	64
3.1.2.1	Basic forms of interaction	64
3.1.2.2	Influencing as an additional management task	65
3.2	Coordination mechanisms as patterns of management	67
3.2.1	Coordination mechanisms: an overview	67
3.2.2	Identifying coordination based on plans as management by objectives	69
3.3	Goals and the process of defining them	71
3.3.1	Selecting goals	71
3.3.2	Methods for determining goals	72
3.3.3	Relationships between goals	75
3.3.4	Motivational effects of goals	77
3.3.4.1	Motivational effect of goal difficulty	77
3.3.4.2	Motivational effect of goal acceptance	79
3.3.4.3	Motivational effect of goal specificity	80
3.3.4.4	Motivational effect of goal commitment	80
3.4	Summary	82
4	How to design controller units	83
4.1	Terminological basics	83
4.2	On the freedom to take design decisions	84
4.2.1	Designing the controller unit: between autonomy and heteronomy	84
4.2.1.1	»Role taking« versus »role making«	85
4.2.1.2	»Role making« as a current priority	86
4.2.1.3	Internal competitors of controllers	88
4.2.1.4	Risks of excessive autonomy in determining controllers' tasks	98
4.2.2	Influences of the external and the internal environment on the design issue	99
4.2.3	The development status of controlling as an influencing factor	101
4.2.3.1	Different development phases as reflected in the terminology of controlling	101
4.2.3.2	The development of controllership in Germany	102
4.3	Basic structure of the design task	105
4.3.1	The organizational problem of assigning tasks	105
4.3.2	Specific aspects of the design task resulting from the function of assuring rationality	109
4.3.3	Problems of motivation specific to controllers	112
4.3.4	Assuring the rationality of controllers	114
4.4	Summary	117

5	The strategic positioning of controller units	119
5.1	Basic aspects	119
5.1.1	Controllers' contributions to company performance	120
5.1.2	Internal customer orientation: a key factor influencing the success of controlling	123
5.1.3	Content-related influences on the strategic design of controller units	126
5.1.4	Controllers' abilities	129
5.1.4.1	Analysis of an individual controller's abilities	129
5.1.4.2	(Core) competencies of the controller unit	136
5.2	Selected strategic positioning tools	139
5.2.1	Designing a mission statement for controllers	140
5.2.2	Applying Porter's five forces model	145
5.2.3	Applying technology portfolio analysis	147
5.2.4	Applying the Balanced Scorecard	149
5.3	Organization of the controller unit	151
5.3.1	Preliminary comments	151
5.3.2	Basic structure of controller units	152
5.3.3	The tasks of central and local controlling	153
5.3.3.1	Introductory remarks	153
5.3.3.2	How the allocation of tasks depends on the type of corporate group	154
5.3.4	Internal structure of controller units	155
5.3.5	Hierarchical placement of central and local controlling	156
5.3.5.1	Assignment to a level of hierarchy	156
5.3.5.2	Reporting relationships to management	157
5.3.5.3	Reporting relationships between central and local controlling	158
5.3.6	Empirical findings	161
5.4	Summary	163
	 Bibliography	 167
	 Index	 177
	 About the authors	 181