

CONTROLLING IN THE 3RD MILLENNIUM

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Summary: *Internationalization and globalization marked in Europe in the early '70s the development of controlling, in its role to complete the management and have influenced it to a great extent until present. In practice, controllers' responsibilities range from the extreme of performing only primary accounting tasks and up to the extreme of undertakings related to executive management. Controlling has undergone decades of evolution, and herewith the concept got standardized in theory and practice; however it cannot be claimed that a unitary definition for controlling has already been achieved. Same as a theatre spotlight shines on the stage from different angles, controlling should be viewed in the same way, as: mind-set, substance, work approach, process, tool and role. Only when all the lights are on and the object is viewed from all sides, it can be defined in its completeness. As a management function, controlling must be practiced in a professional manner, as the sustainable development is ensured only for those entities that act professionally. Without solid controlling know-how, managers are sentenced to being led rather than leading. If the manager does not have solid controlling know-how, he must rely on a team of specialists who have extensive knowledge of controlling.*

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JEL Classification: A1, M11, M12, M42

The concept of controlling

The word controlling is derived, on one hand, from the English verb *to control* that has different meanings, such as, firstly: (1) to direct, to command, to lead, to guide, (2) to regulate, to adjust, to serve, (3) to check,

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(4) to master, to supervise, to keep within limits, (5) to plan. This already explains why the modern notion of controlling has so many facets.

The term can also come from *counter-roll*, respectively the French *contre-rôle*, which means checking the current status of assets based on a specification (its prescribed position), or from the French *compte*, respectively *conto* (-cont) in Italian, in which case comptrolling means checking the accounts or the quality of accounting.

In Anglo-American language, controlling, as "management control", asserted itself as a management function, namely as a subsystem of management, in addition to planning and organization. "Management Control is the process by which managers influence other members of the organization to implement the organization's strategies". (Anthony/Govindarajan 1998, p.6).

From the perspective of the cybernetic regulating circuit, controlling means adjustment.

It is not allowed to mistake controlling for "command" because the latter means an external influence (i.e. of management).

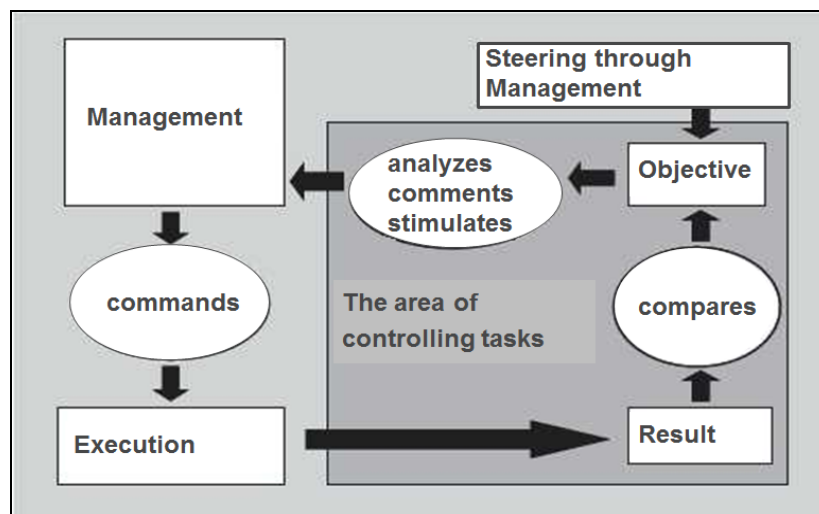


Figure 1. Management tasks

If today the comptroller is primarily a body for verification and control, modern controlling has to do with control only secondarily. Controlling does not mean control. Controllers also control, but somebody who controls is not a controller.

So as to not emphasize too much the similarity of controlling with the term control, which in general language has a predominantly negative connotation, in many organizations the controlling departments are called "Business administration department", "Planning" or "Information".

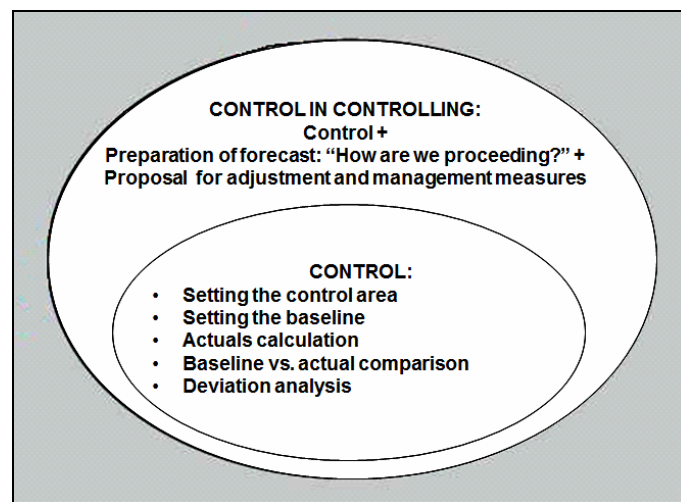


Fig. 2. Control in the controlling activity

Controlling must achieve, respectively generate a certain performance within the entity and bring benefits, be effective and efficient. **Effectiveness** refers to the relation between the desired performance and the outcome; it measures the degree of target achievement. On the other hand, **efficiency** refers to the relationship between quantified outputs and inputs, respectively – at a given quality – between actual costs and planned costs (economy) and represents a measure of profitability (see *Anthony* 1965, p. 17; see *Robbins/De Cenzo* 2008, p. 6).

After decades of use, the content of the controlling notion got standardised in theory and in practice. Nevertheless, there is still no unitary definition for controlling. A parallel to this development can be found in marketing (see *Link et al.* 2000, p.6).

As a theatre spotlight shines on stage from different angles, so should controlling be viewed from different perspectives:

- as *mind-set*, controlling characterises a management position and the orientation of its behaviour towards the achievement of goals and the possibility of verification with regard to the achievement of the goals;
- as *substance*, controlling is a sub-system of management which provides support and advice to management;
- as *work approach*, controlling marks a professional, systematic concept that uses methods suitable for the given problems;
- as *process*, controlling designates the sequence of activities in controlling, and the interactions with different levels of management and with specialized staff;
- in the case of controlling as *institution*, the issue of positioning within the organization is dominant;
- in the case of controllers as *persons of action*, competence and behaviour are relevant.

Only when all the lights are on and the object is viewed from all sides, it can be defined in its completeness.

Controlling refers to the internal controls, based on the company economics and oriented towards standards, strategy, finance, market, processes, information and attitude. The purpose of controlling is to provide support to management, in order to achieve together the agreed objectives of the organization (transparent monitoring).

This must be done in a *transparent* manner, i.e. all actors being permanently informed within their field of decision about the normative, strategic and operative position of the company (see similar IGC 2005, p. VII and p. 56, see Weber / Schäffer 2008 p. 19).

According to older approaches, controlling is designated as “principle for managing the company” (*Bramseman* 1980, pg. 31) and is actually considered equal to the management of the organization.

In literature, the difficulties in reaching a unitary notion of controlling arise also from the fact that metaphors are often used to describe the effects of controlling. Thus, the controller is considered the pilot, helmsman, navigator, co-pilot, economic conscience or business administration conscience, doctor or direction indicator.

The downside in using metaphors for explaining notions is that such „labels” can lead to interpretation and individual associations. Nevertheless

they often offer a rather expressive image about the content. The multitude of nautical terms is noteworthy and here the analogy may be helpful.

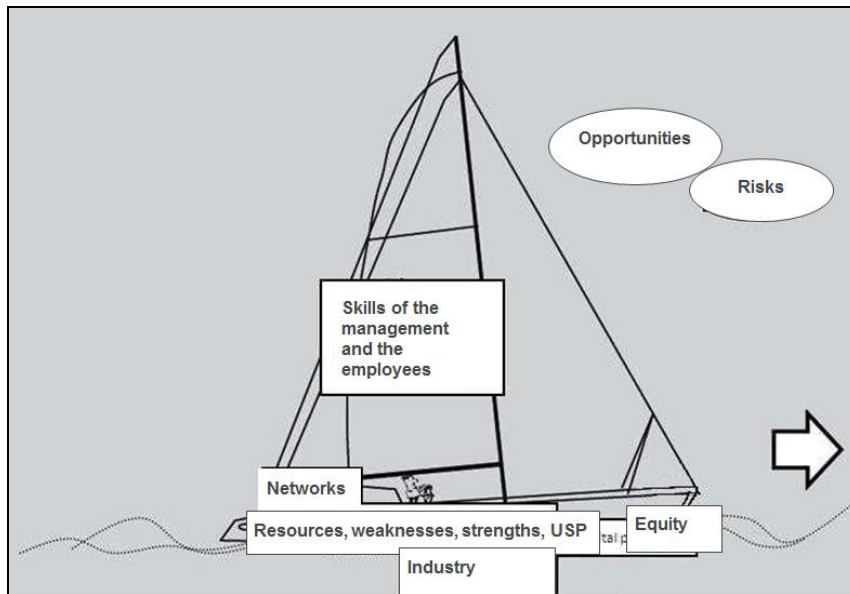


Fig. 3. The company represented as a sailing ship with a captain and helmsman

The controller, as navigator and scout shows the ship captain (the management) both the appropriate successful strategies (e.g. waterways and straits), the opportunities (e.g. favourable currents or wind) and the risks (e.g. shoals, icebergs, storms, adverse currents, other vessels) and thus helps to bring, as quickly and safely as possible, the vessel and its passengers or cargo to destination (port).

We understand controlling as follows: an issue (a problem in the sense of challenge or project) to be mastered, controlled; to be informed about the real situation in figures, to be informed about events and processes, namely about their causes, drivers (driving forces) as well as possible effects and to have (or be able to have) initiative in order for the management to achieve the objective.

Controlling can be developed as an autonomous and sustainable subsystem both in terms of effectiveness as well as efficiency only if it meets the following criteria (see Küpper, 2005, p. 7):

- a) it has a specific task and brings a *measurable contribution* to solving certain problems,
- b) it is *theoretically anchored* in the modern science of business organization,
- c) it is *sustainably confirmed in practice*, thus controlling has a sustainable positive contribution to solving practical business problems.

Contrary to a fundamental management hypothesis stating that man, as economic subject, is acting reasonably (the model of "homo economicus"; see Wöhe / Döring 2008, p. 9), a shifting and only partly rational behaviour can be seen in practice. With a certain probability, often detectable only in retrospect, people's behaviour follows certain patterns or regularities.

The objectives of controlling

Controlling must bring its contribution by helping the management in building, maintaining and asserting the sustainable capacity for survival and action of the entity. This contribution could take the following forms:

- *foresight*: controlling must ensure the availability of early warning information on possible future changes in the business environment;
- *resilience*: controlling must ensure the availability of timely and accurate information about the changes already occurred in the business environment;
- *ability to coordinate*: controlling must ensure consistency between the objectives and actions of the subsystems of an entity;
- *ability to execute plans*: controlling must ensure the implementation of strategic or operational plans.

While the direct objectives of controlling define the purpose, content and extent of the tasks of controlling, the specific objectives of the company, such as objectives of merit, success, financial and material, for which controlling must bring its contribution, represent indirect objectives for controlling.

The concept of a professional controlling

Multiple definitions demonstrate the attempts made in the literature to capture several aspects of controlling:

- „Controlling represents the entire process of setting objectives, planning and steering in the financial and economic field. Controllers provide complementary business economics services for management, in view of control and goal-oriented planning and thus share responsibility with the management for achieving the objectives.”
- Link et al. refer to “co-participation in management," where the controlling takes part through advice and discussions in the process of defining the management’s will (see Link et al. 2000 p. 11).

For Eschenbach (see *Eschenbach et al.* 2007, p. 17 and p. 34-36)

- Controlling *makes complete, relieves and supports* the management so that the business objectives can be achieved;
- Controlling is a planning and control concept with regular comparisons between planned and actual values, deviation analysis and forward- looking calculations;
- Controlling’s area of influence and effect includes the *normative, strategic and operative* levels of management;
- Controlling offers a *complement* to management, namely management services.

In a similar manner, Weber (2008, p. 5) distinguishes between:

- relief tasks: controllers take over the tasks for which they are specialized (e.g. calculation schemes, reporting) or for which they have more time available;
- complementary tasks: controllers balance out management’s deficits in methodological know-how and business economics knowledge;
- delimitation tasks: controllers are acting in this case as auditors, as braking elements in relation to any decision that is too risky, to "embellished calculation" for projects or even to actions that harm the business.

The integrated controlling concept presented in the book *Professional Controlling. Concepts and instruments*¹ has the following characteristics:

- controlling is a management service and coaching function. It supports the management in the delivery of innovation and configuration services and it relieves it to some extent by acting like a navigator for goal oriented actions and for the **interconnection** (coupling) of regulating circuits;
- controlling must ensure that the company management is as free from surprises as possible (Eschenbach, 1983, p. 2208), by checking and early detecting - like a shield or a radar - the business environment and the needs for action in the company;
- controlling means influencing behaviour; it is not just about the use of certain tools for analysis and decision preparation, but also for monitoring the implementation of objectives and plans;
- professional controlling assists in business development through continuous analysis of values, potentials and strategies in terms of the necessary changes;
- controlling aims to create **added value** in a company and is thus oriented towards the elimination of structures or processes that do not generate or that destroy value;
- controlling, as a concept of surveillance of the events in the company should have the effect of avoiding mismanagement;
- controlling means to inform oneself and others and to stay informed, and this advantage of knowledge not to be used to build a position of influencer or of "*central intelligence agency*" in the company;
- it implies controlling structures as flexible as possible. The more the controllers actually work in the company, the more their services are required;
- the modern and professional controller has to play for the management and employees the roles of navigator (towards achieving the goals), innovator (towards sustainable solutions to problems) and moderator in the communication and problem solving process;
- typical for controlling is the *concern for the transparency* of analyses, considerations and assessments as well as *the economic perspective* on company issues, situations and ideas;

¹ Rolf Eschenbach, Helmut Siller, *Controlling profesional. Concepte și instrumente*, Ediția a doua, Editura Economică, București 2014, pag.82

- in addition, typical for controlling is to link management tasks that are cross-functional, i.e. not limited to one or to certain functions;
- controlling bears the management responsibility and acts according to the transparent basic principles of the profession.

Controlling should support self-regulatory processes which bring back on track the running of the regulatory processes of the management cycle (see Wiesenauer / Kirschner-Brouns, 2007, p. 11 ff.).

The effects, equally efficient and effective of controlling in an organization, are related to the prerequisites listed below of a management culture *adapted to controlling* (after Eschenbach et al., 2007, p. 26-28):

- controlling requires a *controlling awareness* ("management by controlling"). This means, on the one hand, the hypothesis that organizations with controlling can be managed better than those without controlling activities, and on the other hand the possibility namely the requirement for self-controlling, therefore controlling not being actually connected to the controller as function holder;
- the management must act at all levels in an objective, control and information oriented way, therefore *oriented towards adjustment regulatory circuit*;
- a cooperative leadership style is required, which helps highlight the skills and strengths of the employees and to consider equally important the opinions of those employees from the decentralized fields which are close to the market, as well as to accept their weaknesses;
- *the need* to offer support to management in order not to jeopardize the management capacity for action, because of the complexity and dynamics in the business environment and in the organization;
- the will of the management for transparent structures and processes;
- *a reliable financial accounting* and functional regulatory circuits to command the processes and flows in the organization;
- the people who have responsibilities in controlling *must fit with the corporate culture* through their own values, characteristics, knowledge and experience;
- an organizational structure that appropriately includes controlling tasks and responsibilities.

An environment unsuitable for controlling would be, for example a company where managers consider consulting or support as an interference, where managers are not prepared to critically reflect on their own decisions, or where mistakes are treated as personal failures.

The complementary role of controlling for management leads, in case of a goal oriented management, to the division of work between management and controlling: managers have the responsibility for the transparency of results, strategies, processes and finances. Thus, management and controlling complete each other. Management without controlling is incomplete. Controlling should enable, namely facilitate the goal-oriented management.

A manager not sufficiently supported by controlling at all levels and, who, on the contrary, is even suffocated by unanalysed data lacking in comments, such a manager is not doing enough for his own success in the company. *Each manager has the controller he/she deserves.*

A division of tasks cannot be clearly made in practice; this shows with the highest accuracy that controlling also represents and requires a continuous communication between the two partners. We present in detail the tasks that can be divided between managers and controllers¹:

Management	Controlling
The captain, who accepts controlling as partner with management responsibility	Acts as scout, pilot, monitor and internal consultant
Searches for perspectives and overview regarding open questions and options for action	Gathers information in preparation of management decisions and processes them
Wants to meet objectives and carry out plans	Analyses the prerequisites for achieving the plans
Sets rules, strategies, budgetary objectives and methods of implementation	Supervises and coordinates the planning and implementation processes
Adapts rules, strategies, objectives and methods to the changing business environment	Informs the management about the opportunities, risks, possible deviations or changes in the business environment and the organization
Sets control measures in case of deviations from target	Informs the management about the magnitude / value and cause of deviations from target

Fig.4. The division of work between managers and controlling

¹ Rolf Eschenbach, Helmut Siller, *Controlling profesional. Concepte și instrumente*, Ediția a doua, Editura Economică, București 2014, pag.86

The controller

The manner and the quality of the attributions fulfilled by the functions responsible for controlling depend, among other factors, on the controller. Certain skills and personal characteristics are required in order to truly benefit from the advantages offered by the concept of a professional controlling, which the management expects from the controlling activities.

The range of controlling tasks can be identified in practice, both in terms of requirements of the companies in search for controllers, as well as from the profile of professional capabilities required from the searched controllers. For a conduct worthy of the profession, the controller's specialized skills are no longer enough, extra skills and capabilities being required, including:

- personal skills and management skills;
- social and communication skills;
- technical knowledge in economics;
- business know-how.

Among the required personal skills, to be mentioned:

- 1) *strong analytical thinking and capacity for action*;
- 2) *a (self-) critical attitude*;
- 3) controllers require a certain "*endurance*" when it comes to sustainably tackling errors and deficits;
- 4) *personal initiative* in accelerating and putting on the brakes (this includes the courage to ask questions, as well as the courage to develop their own solutions to problems);
- 5) *accuracy*; in this case financial accounting proves to be "spiritual homeland" of many - especially for controllers working in operational areas – same as the preference for the quantifiable and the measurable;
- 6) *creativity*: controllers especially, as innovators, require configuration capabilities to leave the beaten paths and enter new territories;
- 7) *availability for learning*: this includes openness to new knowledge - not only about the business - the requirement to learn from both successes and mistakes;
- 8) *an interdisciplinary and integrative perspective*: a way of thinking and of acting beyond the "typical" areas of controlling such as costing and methods of strategic planning, macroeconomics,

sociology and psychology; it is also required to think not only linear, using cause and effect connections, but also systemically, i.e. taking into consideration the side effects, subsequent developments or secondary effects of decisions;

- 9) *the joy* of personal success and of the success of others, i.e. the clients served by controlling, mainly the managerial staff.

In addition to the listed capabilities, we can also add an above average willingness to achieve results (management services are often requested outside official working hours), resilience to stress (often problems are solved under time pressure) and, if the case, willingness to travel.

The required social and communication skills refer mainly to:

- *communication skills*, including diplomatic and negotiating skills, as controllers also act as "sellers of plans" and methods (Deyhle 2003a, p. 10);
- *the ability to work in teams*, including motivating the team members, matched by superior personal performance at solving problems individually;
- *ability for assertion*, including perseverance, consistency and judicious handling of conflicts;
- awareness of the fact that *trust must permanently be won* (controllers should be able to openly state their objective opinion, but should also use the information =carefully; "Earn people's trust first, before assigning criticism and reproach" (Horak / Pelzmann 1996 , p. 593).

The most important methodological skills refer to:

- *analysis and decision techniques* specific to managerial economics, but *not limited however to calculation techniques*;
- basic knowledge of economic, contractual and commercial law;
- communication techniques (including personal availability);
- moderation, creativity and presentation techniques;
- organizational talent (including self-management and time management).

Knowledge in business administration: generally, it is necessary to "understand the economy of the company as a whole", as a generalist, while at the same time very detailed knowledge is required in the following areas:

- financial accounting (external) and management accounting (internal);

- ethics;
- strategic management;
- planning and budgeting;
- investment calculation and investment appraisal, company valuation;
- management consultancy;
- reporting, as well as information and communication systems;
- control.

Among the required *company knowledge*, we can count:

- knowledge of the company, the staff, their interests and the portfolio of services;
- detailed knowledge of the business model, business processes and core competences;
- knowledge on the company development up to date (see Risak 1980, pp. 4 ff.).

The profile of people with controlling tasks:

- knowledge on the business environment, particularly on procurement, market and competition;
- knowledge of foreign languages (English and ideally, a Slavic language, particularly in corporations);
- specific knowledge of other countries (especially in corporations).

We might create the impression that a professional controller should fit this ideal picture, having all the listed features. Nonetheless professional controllers *are not* usually *geniuses*. Our intention is to portrait the controller as a generalist in business economics, highly qualified, giving due importance to behavioural aspects as well.

The skills that one needs in a given situation depends in practice particularly on:

- industry;
- company size;
- requirements of the business environment;
- level of development of the company's and of the company culture;
- phase in the company's life cycle;
- staff, especially management;
- level of development of controlling in the respective company;
- moment of his/her joining the company.

Measuring the performance of controlling

Controllers provide services that should bring benefits (value added) to the beneficiaries (clients), but they are also cost factors. The right question that the management should answer refers to the relation between the benefits and the costs of controlling.

A rational view on measuring controlling services is an important matter for the following reasons:

- the reasoning about costs / benefits in the company cannot exclude the controlling system;
- currently, continuing with the internal calculation of the controlling costs is no longer enough. Management has the right to know the exact contribution that controlling can bring and brings to the management activity;
- controlling, as a service, evades direct measurability – as opposed to the production of goods, that can be measured in pieces, litres or kilograms.

Many controlling services are not directly measurable, however often neither the indirect contribution to achieving management objectives can be clearly defined. The key issue is, firstly, to establish, and secondly, to evaluate what is "controllable". This is possible absolutely or relatively (in relation to other people, groups or an ideal benchmark or a certain best practice).

If controlling provides a modest performance in the long run – from the clients' perspective - this can have the following consequences:

- (unwanted) management self-controlling;
- the assignment of controlling tasks to other responsible of certain functions (for example, from financial accounting);
- the controller position is restructured and the company resorts instead to external controlling;
- the idea of controlling is refused based on an unsatisfactory cost-benefit ratio.

Controlling can be considered mainly as a service delivery.

A service is any activity or output offered to another person. Know-how, presentation or consulting are examples of services. Although an actual product can be tied to controlling, such as a written report, a compilation of indicators, a company analysis, or instructions for using controlling methods, still its overall nature is mostly that of **a service**.

Four attributes describe a service (see Kotler et. Of 2007, p. 552-556):

- it is *not material*;
- *involves people*. Services are provided, usually at the same time they are consumed. The person is part of the service. Both the persons providing the service, respectively those benefiting from it, as well as the relation between them has an impact on the provision of service as a process and on its outcome;
- *fluctuations in quality*. Quality depends on who, when, where and to whom the service is provided. For quality management the company can invest in training and specialization (not professional, but social-emotional), it can standardize the process of delivering the service and / or it can analyse customer satisfaction (proposals and complaints systems, customer surveys, analysis on the degree the client is influencing the service provision). ("The quality makes customers return, not the product.");
- *lack of possibility of storage*. Services cannot be provided in stock. Their benefit is provided in a particular moment. However, some services are usually documented and can be received later. But the problem of their actuality and any necessary accompanying comments remains open.

Concept for qualitative evaluation or measurement

We propose the following concept for measurement, namely evaluation:

- through indicators;
- through measurement of customer satisfaction;
- through a qualitative assessment done by the superior or other higher authority to which controlling is subordinated.

The indicators are synthetic conclusions about the company's economic status. The indicators suitable for measuring the performance of controlling can be subdivided into performance, structure and cost indicators.

The selection of indicators requires, in addition to a detailed planning of controlling services, a systematic and continuous record of works performed in controlling by each employee.

Performance indicators:

- the availability of controlling (hours, days per person): worked hours minus not-worked hours / planned hours;
- the quality of service (%): number of problems solved / number of problems;
- punctuality (%): number of in time solutions to problems / number of problems;
- average controlling performance per person, respectively the number of orders (projects);
- average time to solve a problem (hours, days per person): solving time / number of problems solved;
- load (%): busy time / available time;
- error rate (%): number of errors for each category (e.g. hard, medium, easy) / number of solutions;
- rate of complaints (%): number of complaints in each category (e.g. hard, medium, easy) regarding deficits in performance / number of solutions;
- number of proposals for improvement: the number of proposals for improvement from controlling / total number of proposals for improvement in the company;
- benefits brought by the proposals for improvement (%): number of proposals for improvement effectively implemented by controlling / number of proposals for improvement from controlling.

Structure indicators:

- number of employees in controlling;
- age and skills profiles for the employees in controlling;
- number of participations in trainings and specializations courses;
- number of controllers as percentage of the total number of employees (a rough value of 2-3% is ideal, depending mainly on the volume of controlling topics).

Indicators of cost (value expressed in monetary units):

- costs with the controlling staff;
- controlling calculation rate for the internal calculation of services: controlling costs / number of hours of quantifiable (assignable) performance;
- controlling costs for each order respectively for each type of cost per department;
- costs for each error respectively for the elimination of error;

- controlling cost as percentage of turnover;
- costs with the training and specialization of controllers.

Measuring customer satisfaction

Controllers provide services. To the so-called "4P" (Product, Price, Placement, Promotion) of product marketing another "3P" are added in the services case (People, Physical Evidence, Process) (see Kotler / Bliemel 2006, p. 781):

Product in controlling represents for example analyses, calculations, concepts, reports, presentations.

Price in controlling represents the fact that the value of controlling products for the customer is beyond the price.

Placement in controlling represents the way the services are provided, for example as written reports, as intranet or oral records.

Promotion in controlling calls for the advertising of the confidence in controlling and in its services through higher quality and up-to-date analyses.

People are providing specialized services for people, so that the latter may perform their functions better.

Physical evidence can be highlighted in controlling through higher relevance of reports, higher accuracy of estimates or better adapted planning.

Process characterizes the type and quality of the support and communication process as well as human relations.

Given the diversity of scientific theories of behaviour, customer satisfaction is not uniformly defined. Essentially, customer satisfaction is a concept related to a process of comparison: the customer compares the experiences perceived in relation to a service (the performed service) with the requests, desires, according expectations from the service or to another standard of comparison (the planned service). If the planned service is reached or surpassed, the customer is satisfied, otherwise he is dissatisfied.

In their evaluation, customers start from the service, however not from the desired one, but from a service deemed appropriate. A level of performance considered to be adequate is acceptable (tolerance line), while the desired level corresponds to an ideal representation. If the service provided is below the tolerance, then the client is dissatisfied, and if it is above the line, then this leads to a high degree of customer satisfaction,

which can reach enthusiasm. This should be the target area of a professional controlling.

Similarly, the model "Client-Customer-Advocate" (see Rothlauf 2004, pp. 104-106) assumes that a controller must be able to transform his/her client ("Client") into a loyal client ("Customer"). Decisive however is for the customer to become a partisan, an "advocate", who is not only regularly using the products, respectively the services, but is also recommending them in discussions with others, referring to the experience of the service.

In addition to the criteria for objective measurement (e.g. for calculating the turnover, market share or the accuracy of planning), subjective criteria for measuring customer satisfaction are known in business economics, such as:

• **Problem frequency-problem relevance analysis** ("FRAP"; see Kotler et al. 2007, p. 568 ff.); this is an event-oriented method of measuring quality. It is based on the idea that, during the process of service delivery, out of a multitude of situations, a customer perceives certain standard or key events as particularly relevant from the quality point of view. The following principle should apply: errors may occur, but should not occur. It is important that everyone involved learns for the next time and talks openly about it. Analysis can highlight how often and with what relevance a problem or error occurs, and how carefully it should be treated by controlling. Values on certain scales are associated to customers' different reactions and are then multiplied with the values of the deliveries and can thus show the size of the dissatisfaction.

Four types of errors can be identified:

- serious errors are wrong services, which are very relevant from the customer's perspective and should therefore be quickly eliminated;
- errors with a high frequency, but with a lower relevance. These have a systematic basis (e.g. the late delivery of quarterly forecasts). The customer can have a negative reaction and, as such, the causes for such errors must be eliminated on medium term;
- "mishaps" are errors that occur relatively rarely, but have however a strong impact on customer satisfaction;
- negligible errors are those with a low frequency and relevance. Their systematic identification is often uneconomic.

• **SERVQUAL method** measures the degree of expectations fulfilment. The quality perceived by the customers of controlling is the

result of a comparison between the expected and the actual performance. This principle fits well with the performance evaluation of controlling because it also has several components (content, communication, time, form, etc.) (see Bateson / Hoffman 1999, p. 340-343).

Our concept implies four dimensions of quality with the option of prioritization by the beneficiary of controlling. The criteria for describing the dimensions can be adapted to the purpose of measuring the performance of controlling, depending on the actual context in the company, as follows:

1. Reliability

- execution according to the order respectively confirmed by controlling;
- serious handling of services related issues;
- meeting deadlines;
- solving orders without mistakes and for the benefit of the customer.

2. Helpfulness

- timely information of the customer regarding deadlines;
- prompt “servicing”;
- availability to help and respond to requests.

3. Sovereignty

- controllers are concerned with the trust in their ability to provide services;
- sense of security in transactions;
- constant courteous attitude;
- convincing expertise.

4. Empathy

- personal attention;
- controlling understands customer’s wishes;
- adjustment of the working time, namely of time needed to deliver a service to the customer's wish.

Qualitative assessment of the services provided by controllers

The third part of the concept of performance measurement is the qualitative evaluation of the controllers’ services by the superior or higher authority to which controlling is subordinated, if controlling was able to meet the planned cost-benefit ratio. Thus, the aspects that are difficult to

grasp with regard to the controlling services can be determined through indicators.

This evaluation usually occurs by having the superior or each customer of controlling estimate the benefits respectively the total benefit of controlling, for example the easiest way is using a scale with grades same as in school. This assessment should be discussed again openly between superiors and controlling employees and it should be reflected upon, in order to identify any potential for improvement.

Controlling tasks

The job description is the most suitable instrument to formalize the framework of the controller's activity. Below an example of job description for a controller:

<i>Job description</i>	
1 Job title	2 Level
<i>Controlling coordinator</i>	<i>Field coordinator</i>
3 Objectives - <i>development and implementation of procedures which lead to required profit for the entity</i> - <i>supporting the company's management towards efficient control from the analyst and consultant position</i>	
4 Direct superior <i>The CEO</i> 4.1 Job holder receives expert guidance from	
5. Job holder provides expert guidance to - <i>the coordinator of the cost calculation department</i> - <i>the coordinator of the planning and reporting department</i> - <i>the employees in the controlling department</i>	
6. Job holder is be deputised by - <i>the director in charge with economic, financial and administrative matters</i> - <i>the coordinator of the administrative department</i>	
7. Job holder deputises <i>The coordinator of the administrative department</i>	
8. Special empowerment (<i>here must be mentioned the special powers and rights that are not specific as per the hierarchical level and that exceed the general regulation</i>) - <i>general power of attorney</i> - <i>power of attorney for bank</i>	

<p>9. Description of the specialized activities that must be carried out especially by the person holding the position (independently)</p> <ul style="list-style-type: none"> - consultancy for the company's CEO - responsibility for reporting and information management systems - development of budgets and monthly results - deviations analysis and benchmarking - calculation, interpretation and comments of the comparison between forecasted and actual result - forecasting - development of product cost calculations and target pricing - consultancy for internal and external reporting - calculations of profitability and investment - financial planning - support / perform strategic planning - analysis of the processes and development of mitigations measure - standardisation and development of controlling tools - project management 			
<p><i>Note to job holder:</i> The job description establishes your responsibilities and competences in a committed manner. You must act and decide accordingly. You must inform immediately your direct superior in case of any irregularities.</p>			
Date:	Date:	Date:	I received the job description Date:
Direct Superior	Department coordinator	Human Resources Department	Job holder's signature:

Essentially, the controlling activity is a management function. For this reason, the controlling tasks should be examined in close connection with the managerial tasks and can be categorized based on several criteria:

- 1) according to their relation to the *managerial tasks* in connection to relieving, completing, services delivery and services delimitation;
- 2) relative to their relation to *the individual phases of the management process* of analysis, coordination, planning, decision preparation, plan implementation, information, reporting and control;
- 3) according to the levels and the *logical structure of coordination* in normative, strategic and operational tasks.

No	Criterion	Normative controlling	Strategic controlling	Operational controlling
1	Controlling support for covering the full range of tasks	Normative objectives management	Strategic objectives management	Operational objectives management
2	Objectives	Ensuring the capacity for sustainable development	Ensuring successful implementation of strategies	Ensuring the achievement of the objective
3	Control parameters	Values, vision, rules and principles of conduct	Success potential	Profitability, liquidity
4	Timeline	Long term	Distant and near future	Near future and present
5	References	Company norms, CSR, management ethics, value preservation, opportunities and risk orientation, rules, corporate governance	Opportunities and risks in the business environment, strengths and weaknesses of the company, market growth, market share	Management accounting, budget preparation, cost management, financial management, baseline and actual position comparison, baseline and future position comparisons
6	Question	Our conduct is ethically correct?	Are we doing the right things?	Are we doing the things right?
7	Nature of tasks	Innovative, of substance	Innovative	Well structured
8	Type of information	Qualitative	Qualitative and quantitative	Mainly quantitative
9	Auditor's role or profile	Moderator, consultant, coach, promoter or brakeman	Scout, Change Agent, consultant, promoter or brakeman	Analyst, consultant, responsible for calculations, promoter or brakeman
10	Specific work tools	Reflection	Telescope	Microscope
11	Specific results of the auditor's work	Development of a table of values, development of principles of action, values check, rules check	SWOT scenarios, strategic plan, strategic comparison between baseline and actual position	Budget, balance sheet analysis, operational comparison between plan and actual

Figure 5. Levels of controlling

The management tasks and the support of management activities are conducted at a normative, strategic and operational level.

As normative controlling outlines the terms for the strategic and operational management and controlling, the strategic controlling is done in the normative framework and the operational controlling within the strategic framework.

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