

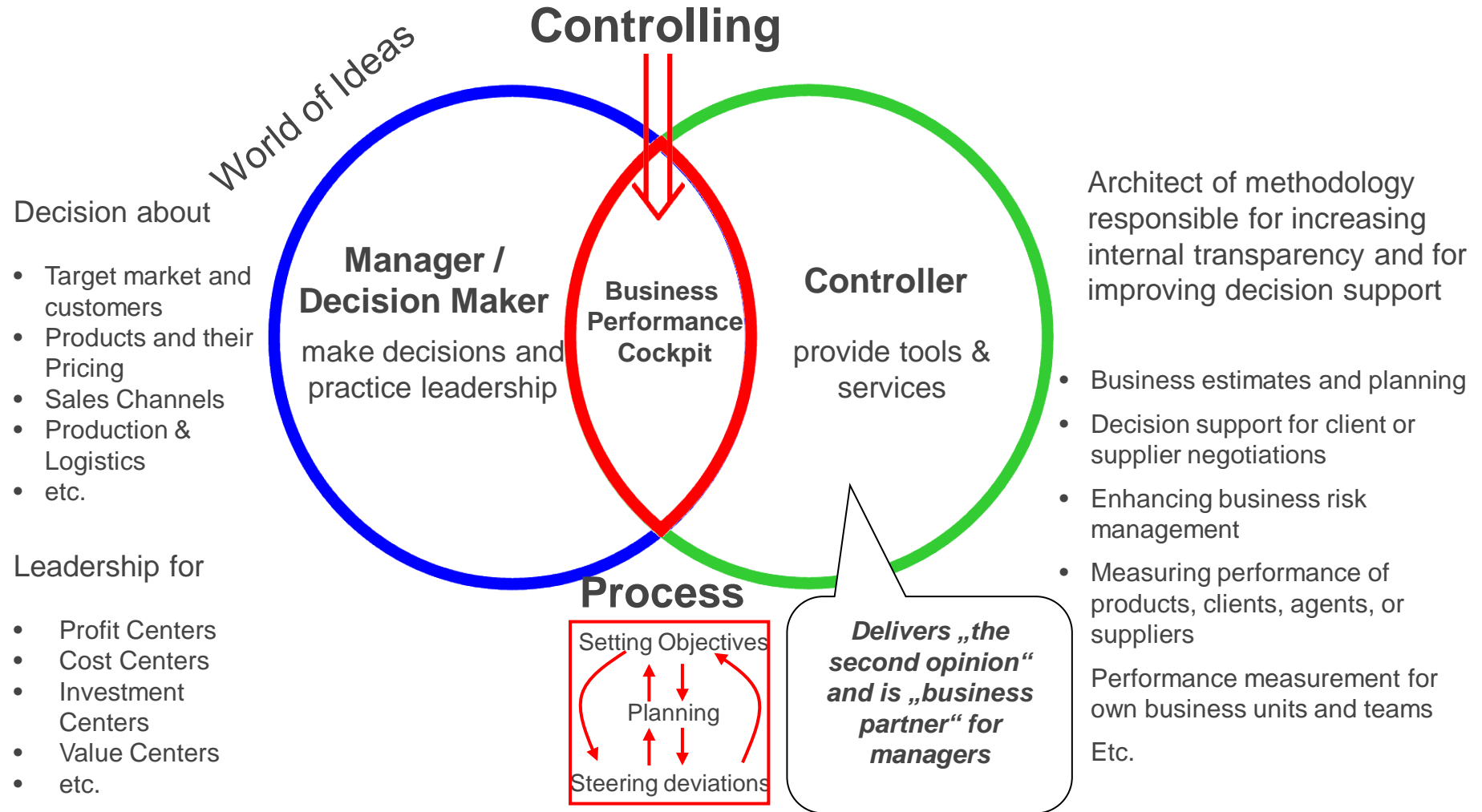
# Controlling is People Business

– Presentation for the Sino-German Controlling Forum 2013 –

**Dr. Zhen Huang**

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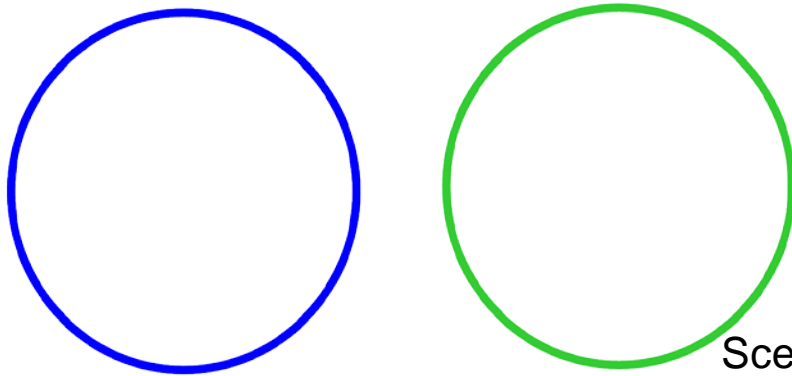
# Controlling is “the intersection of two cycles”



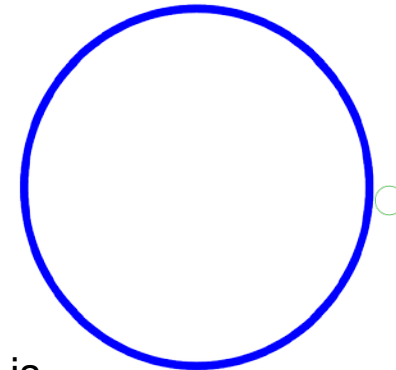
# Different scenarios of the „two cycles“: Controlling practice in the real life

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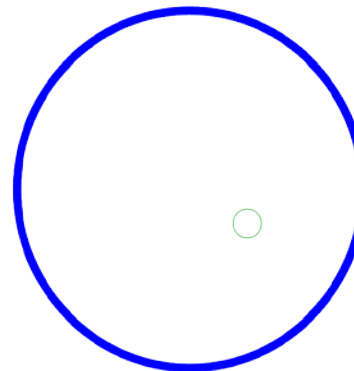
Scenario 1: The independent cycles



Scenario 2: “The dominating boss”



Scenario 3: “The controller is delivering what the boss wants to see.”



# Cultural differences between Western and China might have an impact on controlling practice in China

## In Western (German) Companies ...

Relatively strong emphasis on **individualism / culture of discussion**, bottom up participation on decision making, more horizontal communication between departments on the same level



*„Controller as coordinator und navigator“, „Controller as business partner & second opinion for manager“*

## Traditional Chinese Culture ...

Relatively strong hierarchical thinking, top-down leadership style not unusual, more vertical communication between the boss and the subordinates.



*„The boss is making decision by himself“. „I am only an employee. I do what my boss tells me to do. „*

Relatively strong tendency towards to **universalism**, relatively strong emphasis on rules / regulations, strict implementation of what has been agreed („in black and white“)



*Planning = binding agreement on objectives, (negative) plan-actual-deviation should be corrected, "moving targets" are not allowed or taboo.*

Relatively strong tendency towards to **particularism**, exceptions are allowed especially if personal relations are involved, important is the “spirit” of the agreement / contract



*Planning = more forecast than a binding agreement on objectives, "moving targets" are tolerable and expression of the flexible adaptation to the specific market situation*

exact specification of facts ("good engineering practice"), strong emphasis on quantification / measurability



*Sophisticated and usually extensive planning work, plan is viewed as a binding agreement on objectives*

inaccurate description of facts but overall capture of the situation, quantification = not for exact measurement but for rough estimate



*Rather rudimentary business planning, budget figures are viewed as “rough estimates“*

# “Let two cycles intersect”: Not only is getting more knowledge important, but also the change of attitude

