

Damir Piplica

University of Split
University Department for Forensic Sciences Split, Croatia
E-mail: damir.piplica@unist.hr

Ivan Peronja

University of Split
Faculty of Maritime Studies, Split, Croatia
E-mail: iperonja@pfst.hr

Tihomir Luković

University College ASPIRA Split, Croatia
E-mail: tiholukovic@gmail.com

CONTROLLING IN THE FUNCTION OF MANAGEMENT BY OBJECTIVES

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Abstract

The tasks given to management are becoming more demanding every day, requiring new knowledge and skills. Drucker's famous management by objectives has survived, but its essence is changing and adapting to new knowledge determined by the needs of management. In this context, the research question is how to activate management by objectives and how best to reach management by motivation and ultimately to achieve the managerial goal. In line with the problem, this research focuses on the controlling approach when building the steps that are necessary to achieve the results. At the same time, controlling, as a key function of management, together with planning, shapes the goals that the other two functions of leadership and directing lead towards organizing, thus completing the operation of the management functions. Deyhle developed the combination of controlling and planning, which includes target decision-making, into a management by ... system, which leads step by step to the goal. The methodological approach to this research and the explanation of the entire system, called the WEG system, includes various methods, among which the desk research method, which combines Drucker's and Deyhle's approach to management, stands out. The WEG system as a goal-oriented system, at least for Croatian management, is a new knowledge that is presented in this research in an easily applicable form. Through the presentation of the steps of the WEG system, planning together with directing and organizing lead from management by objectives to a result that represents the goals of management, which is also the expected result of this research.

Keywords: *controlling, planning and decision making, management by "...", WEG system, goal achievement*

1. INTRODUCTION

In the field of management, both in theory and in practice, there are two fundamentally different groups that differ in terms of development in the European Union, economies in transition and developed economies. In developed economies, science, practice, and thinking about management

are dynamically developing and finding new and better solutions for its application, while the economies in transition are still struggling with the fundamentals of management as well as with the systems in the governance structure: management relationship.

The problem of management functions in Croatia, as an economy in transition, can be viewed through two schools that approach management in fundamentally different ways. The fact is that management knowledge is outside Croatia, and it is necessary to acquire it from schools that intensively develop management in accordance with European culture and mentality. In this respect, the German school of management is the leader, which is accepted as European school of management, is developing and perfecting together with American and Japanese schools.

Controlling, as a fundamental function of management, together with planning, which goes hand in hand with decision-making, forms the basis of modern European management, within the framework of which the model of reaching set goals is developed. Therefore, reaching and realization of goals are the basic tasks of management. Based on these tasks, the theory develops models and methods that meet the psychological characteristics of a person, but also of an organization, and forms systems through which the goal can be achieved. At the same time, the research, but also the practice based on Drucker's management by objectives¹, forms a good basis for designing a system through which management goals are successfully realized. The research conducted and developed in Deyhle's prestigious school of controlling offers a system that is easy to apply in practice but requires knowledge and application of controlling. Therefore, the WEG system and management by objectives is the subject of this paper, and the goal of the research is to valorise the steps of management by "... " with which management by results is achieved, i.e. the way towards the achievement of the goal. The research hypothesis states that the WEB system and management by "... " are a good and easily applicable form of successful management.

2. MANAGEMENT FUNCTIONS, DEVELOPMENT, AND STATE

The concept of management, although it has fluctuated due to the various opinions of theorists, has nevertheless settled into Kreitner's definition: "Management is the process of working with others and with the help of others to achieve organizational goals in a changing environment using limited resources effectively and efficiently."² In terms of the functions, there were considerable wanderings from Fayol to the late 1980s, and the authors changed depending on the opportunities and crises of the global market.

Taylor, F. (1911)	Fayol, H. (1841, 1925).	P. Drucker (1961)	R. Kreitner (1989)	W. Koontz (1994)	Encyclopaedia of Management
1. Develop a science for each element of work	1. Planning	1. A manager sets objectives.	1. Planning	1. Planning	1. Planning
2. Scientifically select, train, teach, and develop the worker	2. Organizing	2. A manager organizes.	2. Organizing	2. Organizing	2. Organizing
3. Cooperate with the worker	3. Commanding	3 A manager motivates people by making 'people decisions' on compensation.	3. Decision making	3. Staffing	3. Leading
4. Divide the work and responsibility	4. Coordinating	4. A manager measures performance.	4. Communication	4. Leading	4. Controlling
	5. Controlling	5. A manager develops himself and others.	5. Motivation	5. Controlling	
			6. Leading		

Figure 1 Development of management functions throughout history³

Source: Luković, T.: according to "Planning and Controlling, Separable or Symbiotic Functions of Management", Conference 2nd OFEL 2014., Dubrovnik, 2014, Abstract Proceedings, p. 65.

¹ Drucker, P.: "Drucker's Management by Objectives", Starbuck on Management, Volume II, 2019.

² Kreitner R. J.: „Management“ 6th Edition, Houghton Mifflin Company, USA., 1995, p. 12.

³ It is not advisable to translate the author's functions and texts due to conceptual differences between American and British English.

It was not until the early 1990s, under the influence of several leading management theorists⁴ and then the entire American school of management, that the POLSC or POLC framework dilemma⁵ was resolved. Namely, “S” or staffing cannot be a management function because it refers to human resources for which human resource management was developed. This has been somewhat accepted by Sikavica⁶, who excludes staffing in the initial research, but is still hesitant.

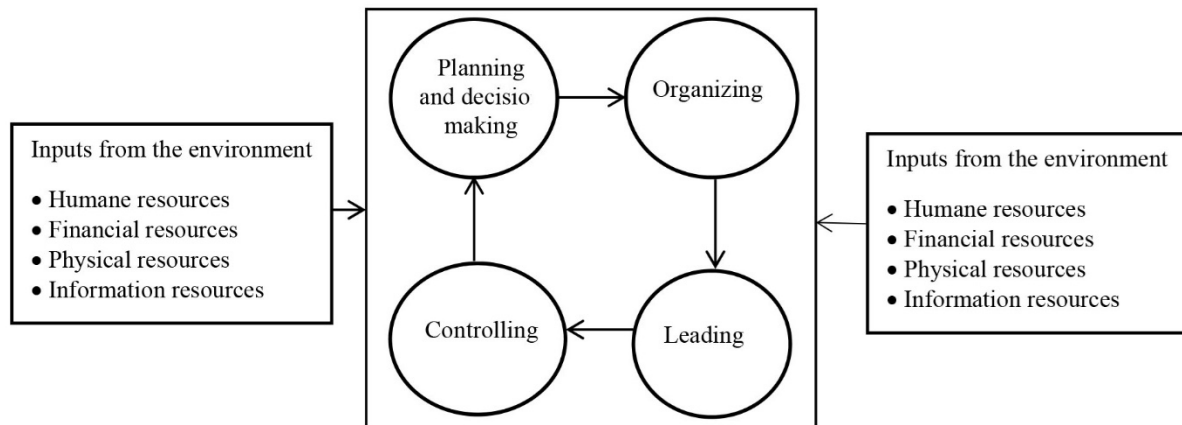


Figure 2 Management functions according to Griffin (POLC framework)

Source: Griffin, R. W.: “Management, Twelfth edition, Cengage Learning, Boston, 2015, p. 6.

It can be said that the “dot on the i” was put by the Encyclopedia of Management, which solved the issue of management functions, explained all known management problems, and laid the basis for further research and development of management. In the fifth edition of the Encyclopedia of Management, four functions of management are explicitly stated: *planning, organizing, leading, and controlling*⁷, and to make it more clear the following explanation is provided: “*The functions of management define the process of management as distinct from accounting, finance, marketing, and other business functions.*”⁸ In the following, it is pointed out that for 50 years, the definition of management functions has wandered in various frameworks, as can be seen from Table 1.

Planning, organizing, leading, and controlling are thus the four functions of management, but it should be noted that each of them develops independently, and leading becomes directing. Interpersonal relations are the key to the success of management, and special attention is paid to them. This fact also concerns controlling, which together with planning takes over all other functions and contributes to their successful operation. In short, controlling ensures that everything runs harmoniously, according to plan and in a controlled manner, but in such a way that each employee knows what he has to do every day and has his own personal microsystem, which he monitors and connects with the systems of the employees who shape the company's system, and which, under the influence of the development of e-technology, extends to stakeholders. This allowed, at least as far as Europe and the EU economy are concerned, to develop and promote the German school of management, which has become the leading and at the same time European school, which is accepted and spread in the developed EU countries, but not in the transition countries such as Croatia.

⁴ Griffin, R. W.: *Management*, 11th edition, South-Western Cengage Learning, Mason, 2011, p. 8.

⁵ Encyclopaedia of Management, 6th edition, GALE Cengage Learning, United States of America, 2009, p. 517.

⁶ Sikavica, P. & Bahtijarević Šiber, F.: “Menadžment, Teorija menadžmenta i veliko empirijsko istraživanje u Hrvatskoj”, Masmedija, Zagreb. 2004.

⁷ Encyclopaedia of Management, 5th edition, GALE Cengage Learning, United States of America, 2009, p. 493.

⁸ Ibidem

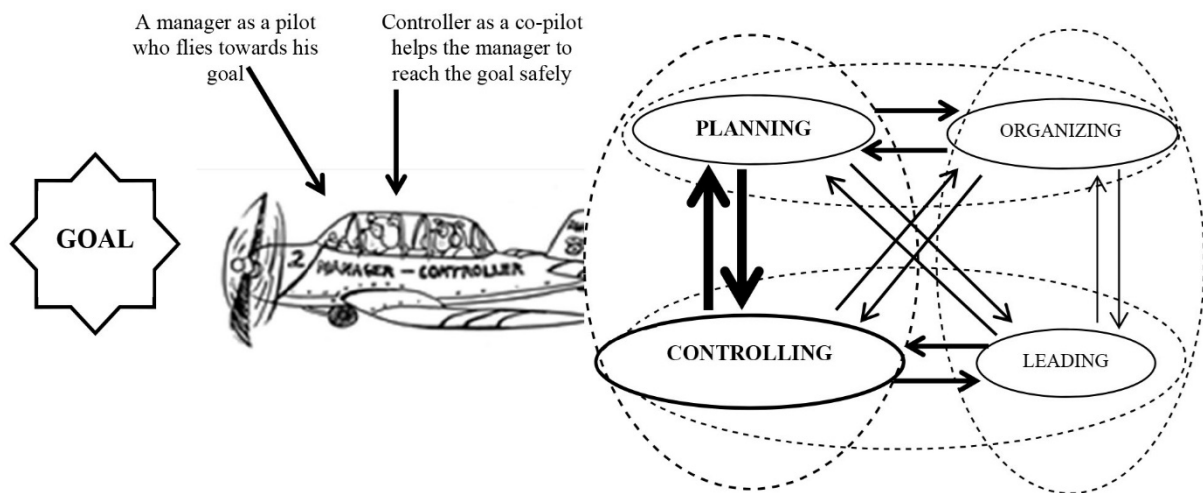


Figure 3 Planning and controlling in the P-O-L-C Framework

Source: Luković, T.: "Planning and Controlling, separate or symbiotic management functions", 2nd conference, OFEL 2014, Dubrovnik 2014

As can be seen, the German school and now also the European school of management have accepted a controlling-oriented management dominated by controlling, which permeates all management functions, especially the planning function, with which it merges into a strong union that leads management to achieve the set goals, both operational and strategic. At the same time, planning and controlling require a higher level of knowledge which is necessary for the preparation of plans and controlling analyses. At the same time, the functions of organizing and leading or directing require a higher level of managerial skills. In this way, skills and knowledge merge and create powerful management, which as such forms the basis for the development of new models and systems that lead to the goal. One of these is the WEG system and management by "...".

3. CONTROLLING-ORIENTED MANAGEMENT, A REQUIREMENT FOR ACHIEVING THE GOAL

As previously mentioned, after numerous crises over the last few decades, the German economy proved to be the most resilient and recovered the fastest. The problems in times of crisis were solved quickly, and the damage was minimal. When asked what makes the German economy so resilient and stable, the answer came very quickly in the form of the German school of management, which is briefly illustrated in Figure 2. The dominance of controlling and the close link with planning and decision-making proved to be a good orientation. Some basic characteristics or factors emerged that made the German school so strong and important, so five the most important are listed:

1. The powerful SAP has located its centre in Germany near Frankfurt, where the German minds are developing new and new generations of SAP ERP programs, now to announce the new generation of HANA programs. Without SAP technological support, management would be ineffective.
2. Albrecht Deyhle developed his school of controlling through various types of education, from the university level to the MBA program. The strength of this school goes beyond the national framework, and its funding comes from the practice that this school educates new and new generations of extremely educated controllers. It can be said that this school is among the world leaders in terms of education and research.
3. The strength of German management also lies in the intensive cooperation between prestigious German universities, which develop national management through an

appropriate form of cooperation. At the same time, the connection with the economy, but also with politics, is at the highest level.

4. The connection of higher education, institutes, and individual scientists with the economy is a traditional fact of the German economy and life in general. All this contributes to the development of both the economy and science and education.
5. Controlling as a management function ideally corresponds to the German mentality, which has always strived for perfectionism, accuracy, perseverance, and discipline.

Therefore, the entire management process is only useful if it leads to the achievement of the set goal through the management functions. At the same time, it is necessary to distinguish between the goals set by the management⁹, which are crucial and conditional for managers, and the goals set by the managers in order to achieve the goals of the management. Since the problem of managing capital, i.e. the company, is still emerging in economies in transition, it is necessary to clearly distinguish management from governance structure.

In this context, Tipurić explains the difference between management and governance structure: "The field of corporate governance determines the system of management and supervision of the corporation"¹⁰. Regarding management in Croatia, Tipurić states that in Croatian economic literature, a common definition of management is that management is the way in which suppliers of financial inputs in the organization ensure the return on their investments. He also points out that corporate governance is primarily associated with the supervision of managers by shareholders, who, through administrative bodies, evaluate the quality of management's work as well as the dynamics of achieving goals.¹¹ From this, it is clear that administration and management neither have the same goals nor the same decision-making system.

Therefore, planning as a management function is closely related to management decision-making. Thus, the leadership and management of a company are meaningful only if their functions lead to the goal. The path to the goal needs to be planned, and in order for that path to be effective, the task of controlling is to form a set of instruments with the help of which the company can be actively managed and kept on the planned path. The active subject of controlling is the controller, who has the role of the "navigator" in the function of guiding the manager, as shown in Figure 2. The controller is the manager's co-pilot, and his task is to keep the company on the way to the goal and to activate disposition¹² plans in moments of possible deviations from the plan, because the plan can change, but not the goal. On the way to the goal, considering the relationship between the controller and the manager, the controller has the role, as Deyhle likes to say, of selling goals and plans. This means that the controller offers options to the manager according to the "if... then..." system, whereupon the manager makes a decision what option to accept and develop further. In order for the planned tasks to be completed successfully and on time, the controller must also build up a set of tools that, when comparing the planned and actual state, helps to identify neuralgic points in the process that need to be urgently corrected. In this way, the problem that has arisen is introduced into the system and its solution becomes part of the system so that it does not appear as a new problem in the future. Thanks to e-technology, self-learning systems are common in management. In this way, the controller contributes to the high level of efficiency of today's management. On the other hand, planning and management can only be separated only if the goals and the associated plans are realistic and if there is someone behind them to ensure their implementation. In this way, the controller's contribution, as a seller of goals and plans is included in the development of permanent management training. Motivation and strong commitment develop through training, because the results become more clear and visible, even if they are in the future. And to ensure that all this happens through the harmonized engagement of all employees, the

⁹ Tipurić, D (ur.), *Korporativno upravljanje, Sinergija*, Zagreb, 2008, p. 5.

¹⁰ Tipurić, D (ur.), *Korporativno upravljanje, Sinergija*, Zagreb, 2008, p. 5.

¹¹ *Ibidem*, p. 5

¹² Luković, T. & Lebefromm U.: "Controlling, koncepcija i slučajevi" - First book, Dubrovnik, 2009.

controller, who is almost omnipresent, takes care of it. The saying applies here: "It is better to be 1% better in one hundred cases than to be 100% better in one case".

4. MANAGEMENT BY... AND THE WEG CONCEPT OF LEADERSHIP

In the elaboration of the controlling system aimed at management, the German school has developed numerous annals, models, and systems that contribute to the successful realization of goals. In the theory of controlling, there are several dozens of tools that controllers develop and adapt in practice to the needs of the company and the industry in which they operate. Some models are general, researched and proven, and action steps are developed on their basis. Without them, work processes would be risky because they would follow the "trial and error system", which would mean learning over time and through experiences rich in failures to acquire experiential knowledge. One of these models that ensures managerial efficiency is Deyhle's WEG model, which includes numerous management by "...". So, management as controlling-oriented management defines it, is based on the union of the trinity in the WEG¹³ system. Weg (German) means "Way".

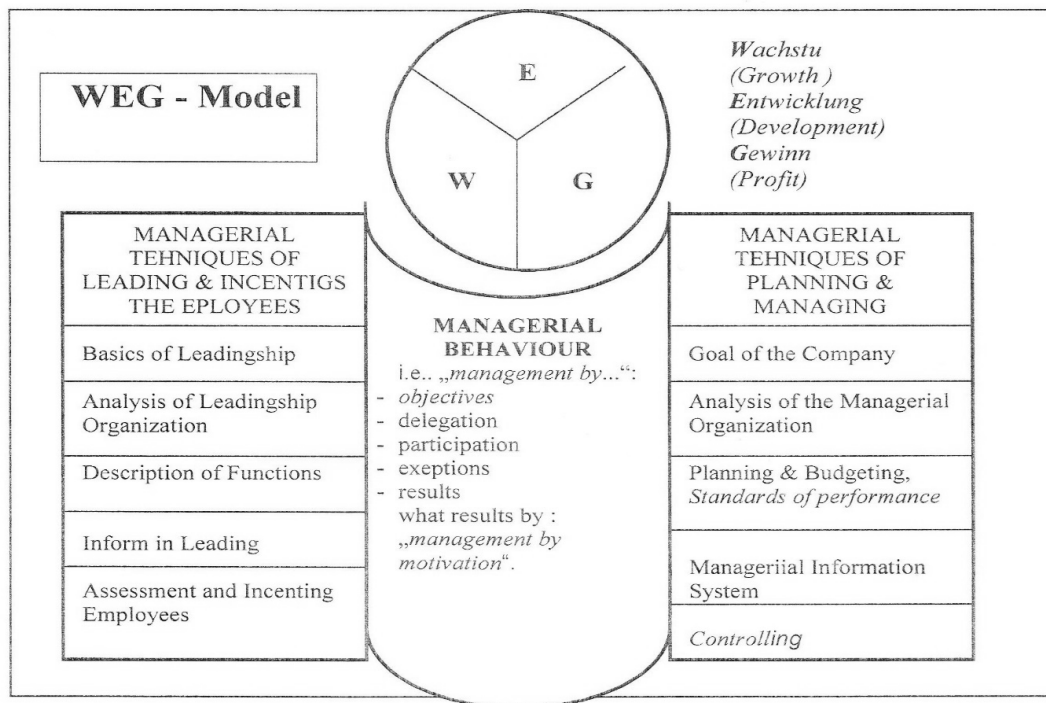


Figure 4 Concept of controlling-oriented management system

Source: Deyhle; A., *Controller-Praxis, Führung durch Ziele – Planung – Controlling*, Band II, Verlag für ControllingWissen AG Offenburg, 2003, p. 137.

As can be seen from the picture, the WEG management system is based on the principles of controlling, which means that it takes place step-by-step, assessing and measuring efficiency, and reacting not only at the moment of deviation from the plan, but it also predicts. It is a system that supports the management and administration of the controller's tasks as part of the management, i.e. the tasks that fall under its responsibility, but also the tasks in which it acts as support. As previously mentioned, the German school of management has developed controlling as a management function which, together with planning, dominates management activity. Deyhle's WEG system was developed in the 1970s at the Management Academy in Munich, within the

¹³ Luković, T. & Lebefromm, U., *Controlling, Konzept und Fälle*, Erste Auflage, Engelsdorfer Verlag, Leipzig, 2010, p. 109. Figure 36.

framework of the German Institute of Economics, in collaboration with V. Bataillard (Zurich), G. Grupp (Stuttgart), J. Haeusler (Karlsruhe), A. Sahm (Munich) and E. Zander (Hamburg). Therefore, good cooperation between educational and scientific institutions as well as individual scientists leads to prestigious results, insights, and knowledge development. The WEG system is initially based on three pillars as premises of a control-oriented management system: (1) **W**achstum (growth), (2) **E**nwicklung (development), (3) **G**ewinn (profit). The aforementioned three pillars of the WEG system have a conditional character and represent type of goals that cannot be deviated from. Constant growth is related and subordinated to development because growth does not always mean development, and it is necessary to pay attention to this. Moreover, profit is a functional condition of both growth and development. All three form the foundation of the WEG system. In addition, the WEG also has the role of a role model or an idol because it indicates the “weg” to the goal, that is, the “way to the goal”. At the same time, this way unfolds like a puzzle. As can be seen, the WEG system has the left and the right side, connected by an efficient middle, which is a step-by-step behavioural methodology. On the left side are the management methods and techniques for leading and motivating employees, which should be developed according to the formulation of the company’s “beliefs”. On the other side, on the right side, the WEG system works through management techniques and planning and has the role of a catalyst. In this way, it is possible to define goals with the dimensions of (1) growth, (2) development, and (3) profit. At the same time, the role model is always set somewhat idealistically, and at the same time is viewed as multidimensional, in order to meet the requirements of all stakeholders. It includes terms and definitions such as “service for health”, “service for ecology and sustainable development”, “price breaker”, “problem solver”, “always first in development”, and the like. At the same time, the goals set in relation to the role model must be set concretely, quantitatively, and, above all, measurably.¹⁴

In all of this, it is important to ensure the elasticity of profit, so that access to and perception of profit does not become a mere “slavery to capital”. As much as profit is a condition, because without it there is no development and growth, profit is not the exclusive goal at all costs. In the context of growth and development, there is a compromise in terms of profit because, for example, sustainable development should be taken very seriously. For this reason, it will sometimes be necessary to sacrifice pricing opportunities in the interest of greater market share or to burden the budget with costs that reduce potential profits in the interest of a good development climate and general stability. Particularly important in terms of profit is that budgets for additional tasks, such as research and development, must be secured from the possible profit, and it is a condition that they ensure the long-term representation of role models. In order to ensure that system and to connect all the factors of that system, the *Balanced Scorecard*¹⁵ is used as a cockpit of indicators.

¹⁴See chapter 2.1. in Luković, T. & Lebefromm, U., *Controlling, Konzept und Fälle*, Erste Auflage, Engelsdorfer Verlag, Leipzig, 2010, p. 105 - 117.

¹⁵ See

Financial perspective									
Goal	Measuring unit	Unit	Actual values quarterly				Targeted annual level	Achieved in % so far	Achieved in % expected
			1	2	3	4			
Income increase	Net income	000 €							
Profit	Gross result of the company	000 €							
Profitability	Return on Sales	%							
Capital interest	Return on investment (ROI)	%							
Solvency	Free Cash Flow	000 €							
Customer perspective									
Goal	Measuring unit	Unit	Actual values quarterly				Targeted annual level	Achieved in % so far	Achieved in % expected
			1	2	3	4			
Market penetration	Absolute/relative market share	% /Factor							
Customer loyalty	Quota of regular customers	%							
Customer satisfaction	Index	Points							
Keeping promises to customers	Cancelled	Number							
Products without defects	Returned	Pieces							
Innovations and prospective knowledge									
Goal	Measuring unit	Unit	Actual values quarterly				Targeted annual level	Achieved in % so far	Achieved in % expected
			1	2	3	4			
New products	New income/all products	%							
First time quality	Changes/improvements	Number							
Constant improvement	Costs for further training	%							
A talent for change	Percentage of employees on projects	%							
Process perspective									
Goal	Measuring unit	Unit	Actual values quarterly				Targeted annual level	Achieved in % so far	Achieved in % expected
			1	2	3	4			
Management and supervision competencies	Production time	Days							
Quality	Share of waste	%							
Efficiency in production	Availability of the plant	%							
Credit management	Payment target/DSO	Days							
Efficiency in sales	Guarantee attachment 1	Factor							
Year 2013	1 st July 2012		Prepared by Mr./Mrs.						

Figure 5 Balanced Scorecard, reporting form "Balanced set of indicators – pilot cockpit"

Source: adapted by Tihomir Luković in the book Luković, T. & Lebefromm U.: "Controlling, planom do cilja, Second book", University of Dubrovnik, Dubrovnik 2014, and according to Deyhle, A., *Controller-Praxis, Führung durch Ziele – Planung – Controlling*, Band II, Verlag for ControllingWissen AG Offenburg, 2003, p. 82/83.

The developed *Balanced Scorecard* system presents operational reporting by comparing "planned and realised". In doing so, it addresses four aspects of the observation specified by the *Balanced Scorecard*:

- Financial aspect,
- Customer perspective
- Internal business processes
- Learning and development.

In this system, each of the mentioned aspects of B.S.C. is developed through four analytical patterns (1) goals, (2) indicators, (3) settings, and (4) measures. The B.S.C. as a form of reporting by controlling-oriented management is applied in practice in developed European economies, especially in Germany, while it is rarely used in theory in Croatia. The use of the B.S.C. is a prerequisite for sustainable business, i.e. business that takes place under the conditions of the greatest possible satisfaction of all stakeholders. Such business enables more stable steps through the plan to achieve the goals for which Drucker's management by objectives¹⁶ is used operationally. In the sense of "one step further", German Drucker school management by objectives is elaborated and developed into a five management system by "..."

5. MANAGERIAL BEHAVIOUR AND FIVE MANAGEMENT BY "..."

The central part of the WEG concept refers to managerial behaviour based on a controlling approach. The middle part of the WEG system connects the left side (management techniques of leading and motivating employees) and the right side (managerial techniques of planning and management) shaping the system as a bridge. The German school of controlling-oriented management has developed a management behaviour that begins with management by delegation and ends with management by motivation, and finally with the achievement of the goal. Implementing Drucker's management by objectives, the German school worked out a step-by-step system to reach the goal and represents a symbiosis of a goal and a plan. The applicability of the WEG system is obvious, as the German School aimed to help the national economy develop rapidly through a scientific approach to management. At the same time, forecasting and timely response to risks and problems is the basis for management decisions that would not be effective without controlling. To better understand the WEB system, i.e. the behaviour of managers, an example from everyday life is given.

A family goes on vacation and goes through five management by ...

This is a life story in which the father, as a driver, travels with his wife and two other couples who are friends from Munich to Rogoznica, where he arranged to board a small Croatian cruise ship departing from the Frapa Marina in Rogoznica.

Situation analysis and steps related to five management by "...".

a) *The relationship between the cruiser and the father driver - starting position*

The father and his wife and the friends who accompany them work until 4 p.m. on Friday, and then they go on a cruise to the Kornati Islands from the Frapa Marina in Rogoznica, for which they paid a deposit. The children are in the afternoon shift at school and they are at school until 7 p.m. They need to be taken to their grandparents in Nuremberg, which is at least an hour drive one way. So they cannot drive the children to their grandparents and start boarding before 10 p.m. Boarding for the cruise is on Saturday at 12:00 and they cannot be late because the cruise ship leaves exactly at 12:00. Lunch on Žirje is at 2 p.m. and they cannot be late because of anyone. The father informs his wife and two other couples who are going with them about the embarking conditions. Since there are six of them and they have a lot of luggage as well as sailing equipment, they rent a bigger car with six seats and a large trunk, but the car will not be available until around midnight. So they cannot leave until about 1 o'clock in the night. It is the end of July, and the roads are full of cars, and the junction around Passau is crowded with cars moving slowly in a line. The drive from Munich to Rogoznica takes about 10 hours without a stop, and driving at night after a day's work is difficult and the roads are congested. A woman needs more time for her "woman things" and cosmetics and does not want to rush. The friends want to be on the road because they are going on vacation and do not want to be pushed around. The nervousness that seizes father driver spreads to his wife and

¹⁶ Drucker, P.: "Drucker's Management by Objectives", Starbuck on Management, Volume II, 2019.

then to fellow passengers, so almost everyone has an argument. However, everything turns out well thanks to the five management by “...”

b) *The relationship between the father driver, his wife, and the passengers - planned state according to the management system*

Managerial behaviour in accordance with management by ... seeks to reach an agreement on the goal, which is to arrive at the marina by 12 o'clock at the latest. It must be taken into account that the journey in convoy around Passau is slow and delays may occur. Therefore, it is necessary to reach an agreement with fellow passengers and to budget the driving time, because it is necessary to arrive by 12 o'clock on Saturday. This means that with regard to “women's needs”, the goals should be harmonized, and the travel plan adjusted to the required time. That would be “management by objectives”. In order to achieve management by objectives, it is necessary to achieve the first step of managerial behaviour.

c) *management by participation*

The father, as a driver, should have asked the ADAC about the condition of the roads and their assessment of the time on the highway from Munich to Rogoznica. Considering that ADAC informed that the required driving time is 10 hours, it was necessary to look for the possibility of renting a car from another company to leave around midnight and not at 1 o'clock. This would “steal” 2 hours and make the trip more comfortable with a more certain prospect of arriving at the marina and embarking the cruise ship. In this way, management by participation is realized because everyone has to participate in the time budget agreement, as the father who was driving is responsible for time budget.

d) *management by delegation*

Since the father took responsibility for getting to Rogoznica and embarking the cruise ship, it is his duty to get the information from the ADAC about the condition of the roads and the degree of congestion around Passau and the like. He is therefore entrusted with the responsibility of getting to the destination, i.e. the task of driving is delegated to him, i.e. “management by delegation”, and this is derived from father's competence to perform the planned task.

e) *management by exception*

It is logical that everyone wants to travel on vacation to the Croatian Adriatic without stress and nervousness, which means that the trip must go according to plan. In order to achieve this, it is necessary to make a quality plan and take into account all possible situations, that is, it is necessary to anticipate a stoppage on the road, a flat tire, the need for a small break with a coffee, and the like. These are truly unpredictable events, for which the father, as a driver who has accepted the obligation to reach the destination, must take into account, and at the same time the competences of the passengers are shown in situations when it is necessary to call a taxi and some other substitute car or transport. Under such conditions and in such situations, “management by exception” is used.

f) *management by result*

If everything goes according to the plan so that everyone reaches Rogoznica happily and without nervousness and embarks the cruise ship, it is possible that they will have enough time to drink coffee in the Frapa Marina and get to know their fellow passengers. It is a comparison of the planned and actual state, that is, “management by result”.

Going through the five management by “...” management by objectives was realised.

A systematic approach to the WEG model and management by “...” involves overcoming bad situations. Three consequences were possible. First, the father, as a driver, should have prepared his driving better, which mainly refers to the route plan. The road should have been divided into sections and the time for each section, especially for the junction around Passau, should have been planned according to the checkpoint there in order not to be late. During the journey, the father, as the driver,

knows from the ratio between planned and realized time at each checkpoint whether he should speed up a little or not until the second checkpoint, and whether it is necessary to make other corrections during the trip in order to reach the destination, i.e., to embark the cruise ship. Second, the art of setting "goals" is important and can be improved. In other words, self-confidence is certainly necessary because it reduces tension, but too much self-confidence affects the driving dynamics, which jeopardizes the goal. Therefore, goals should be aligned as a combination of plan and goal, and corrected if necessary. Third, if father feels that he will jeopardize the goal if he drives alone the whole way, he should agree with his friends in the car to switch while driving to ensure the dynamics and safety of the drive. All three consequences or factors that should be incorporated into the system relate to "management by results".

From the above example, it can be seen how the German school has developed and improved Drucker's management by objectives. At the same time, the behaviour of the manager towards employees, which is done according to the principle of "management by ...", is crucial for the achievement of the goal. The WEG model developed in this way and the manager's behaviour ensures the safe journey of the team to the goal, prevents unnecessary stressful situations, and supports personal planning. Without the aforementioned system, the manager's behaviour and the solution to the situations that arise can cause great damage and jeopardize the "drive" to the goal.

6. CONCLUSION

It is undeniable that Drucker's concept of management by objectives remains a *condicio sine qua* in the practice of world management. The process of its realization is a matter of the mega school of management, so the European school of management, based on the German school of management, has developed its own system suitable for the European way of living and working. The WEG model, in community with the five management by "...", is a powerful European tool of control-oriented management. The German school of management elaborates management theory based on controlling and planning, implements it into practice, and returns the results to academia for further development. In contrast to this German-European concept, the American concept supports the work and action towards the planned goal by the separate action of controlling as a management function. It is not advisable to get involved in the evaluation of which model is better, because both models are the result of culture and mentality and each develops in its own way and for its own mega goals. The unity of controlling and planning enabled the development of numerous tools, of which the WEG model is recognized and accepted in practice as a usable model on which other tools are built and linked. For example, linking the WEG model with the Balanced Scorecard increases the efficiency of management in practice, and what is important for management as an iterative process is the achievement of management by motivation. It can be concluded that the European-German model, whose father is A. Deyhle, is successfully used in the management of the German economy. At the same time, the WEG model set up in the form of a bridge (M) is elaborated by management by objectives that are realized through five sub management by "..." (1) management by objectives, (2) management by participation, (3) management by delegation (4) management by exceptions and (5) management by results. As the example shows, each of the listed management by "..." represents a phase/step in the implementation of management by objectives, and in order for the realization of the goal to be successful, it is necessary to create an atmosphere of motivating work, i.e. management by motivation. The economic results of this and other similar models are visible in the practice of German and Western European economic entities, and the concept of controlling-oriented management has been developed by generations of SAP managerial support programs.

There is an urgent need to study this and similar models and their implementation in Croatian micro and macro systems if the Croatian economy, and entrepreneurship in particular, is to distinguish itself from the lower ranks of EU member states.

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