

The Business Controller, Non-Financial Measurement and Tacit Knowledge

Could business controllers have a more active role to play in learning and knowledge creation, so critical for the success of contemporary organizations? Especially, how could business controllers become connected with the discovery of tacit knowledge – with the “hidden”, implicit part of the organization’s knowledge base? This paper focuses especially on how pro-active business controllers assist the articulation of tacit organizational insights, contributing to knowledge creation and learning. It targets incidents of *non-financial* performance measurement in particular, familiar from widely applied management instruments like *The Balanced Scorecard*. It identifies three scenarios where the business controller mobilizes non-financial measures, in interactive spaces of considerable tension. The paper offers a theoretical discussion and starting point for empirical inquiry in this particular field - of growing importance to the academic pronouncements concerning the controller’s profile and competence development.

First, within a divisional *performance*

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paradox, where financial and non-financial measurements send conflicting signals, the business controller can at first witness confusion and contradiction, when competing explanations arise for this incongruence in performance. Explanations are needed when good financial performance, for instance, becomes coupled with poor non-financial performance on more strategic dimensions. For example the divisional unit's critical operating practices then become re-evaluated, in situations of organizational interaction between the corporate centre and the divisional level. But in the tension of these conflicting explanations, where the business controller may act for instance as a "bridge builder", s/he may capture valuable pieces of tacit understanding that has now been articulated.

Second, in *provocative interventions into operational detail* the business controller narrows down on intriguing operational practices – with focused non-financial measurements. These may even take neo-Tayloristic forms. Certain organizational niches can deliberately become challenged and problematized with the new, very detailed visibility that specific non-

financial indicators open up. On purpose, overt resistance to this measurement can be provoked in these niches, because in these instances of resistance local agents revisit their tacit understanding. They mobilize tacit scripts and cognitive maps in the articulation which is targeted against provocative measurements – in the presence of the business controller. These instances certainly represent a less consensual approach to knowledge creation.

Finally, in *cross-functional debate around non-financial measurement* the business controller faces yet another organizational incident of intensive interaction where tacit knowledge may emerge. Local agents – representing different functional specializations and departmental interests – share conflicting views and competing interpretations about cross-functional measurements, in "spaces" where the business controller participates. They extract cues from their tacit functional understanding. They turn these tacit elements into an explicit, verbalized form in a collective setting. Consequently, also on these cross-functional interfaces the business controller may harvest organizationally valuable tacit insight. ■