

CONTROLLER AND MANAGER – COMPETITION OR COOPERATION

The essence of controlling was presented. The differences between controlling and management were pointed out. Controlling was interpreted as coordination of management and as a method of management supporting. Controller as the executor of controlling idea was presented, too. The function of controller from tasks performed by manager were distinguished and the relations between them were defined

1 INTRODUCTION

Controlling has been developed and implemented in many businesses around the world for over a hundred years. Lately, there has again been increased interest in controlling. It was created as a response to the demand of practice and was developed mainly in practice. However, it has instantly become an object of an academic dispute. In both Polish and foreign scientific press, many authors vigorously discuss the definitions of controlling, its functions and scope, as well as controlling instruments. The consensus in this matter is rarely being achieved, because the content of controlling "...constantly changes and evolves, resulting in lack of a uniform understanding of this notion in business and in scientific reserach" [11, p. 4]. The most significant point of dispute about controlling is defining it as a management system (or a part of a management systems), consequently suggesting that a controller replace a manager. This type of statements raises controversy and does not make controlling more popular. Therefore, it is necessary to distinguish a function of controller from tasks performed by manager and to define relations between them.

2 ESSENCE OF CONTROLLING

The notion of controlling is very ambiguous and it is variously defined. It is often defined as a process of managing by profit, management function, management system, as well as a method or instrument of management [5, p. 289]. Among the huge variety of literature on this subject, one can distinguish three fundamental concepts of controlling: controlling as information support of management (managerial accounting), controlling as coordination of management, and controlling as a specific form of management. [3, pp. 21-28; 12 pp. 19 - 28].

In the first concept, controlling is tantamount to managerial accounting. The tasks of controlling come down to producing and delivering information for managing the business. It is however, a simplified form, which is very often criticised for not fully utilizing the potentials of controlling. According to the third concept mentioned

above, controlling is a special form of management, i.e. integrated management function focused on network and cooperation groups in order to ensure maximum effectiveness and correctness of the supported functions [1, p. 5]. „As a matter of fact, it (the concept) makes the notions of “controlling” and “managing an enterprise” the same” [10, p. 33].

The most common concept, however, interprets controlling as coordination of management. It defines controlling as a method of supporting management that enables – through its measurable and economical nature – correct decision making and that coordinates the process of executing managerial tasks, monitors the execution of these tasks, as well as enables cooperation in planning, control, steering and providing information. [5, p. 289]. In this concept, the notion of controlling is extended beyond support of management. Controllers perform additional functions that originally belonged to management of a company, in particular, the coordination of processes in the organization. The controller assists the manager in decision-making at different organizational levels, but he does not make decisions by himself [10, p. 33]. Controlling “does not replace management, but - by assisting, evaluating and advising – makes managing possible” [8, p. 22]. Such reasoning helps draw a clear boundary between controlling and management (compare [6, p.45]). Relations between controlling and management are presented on fig. 1.

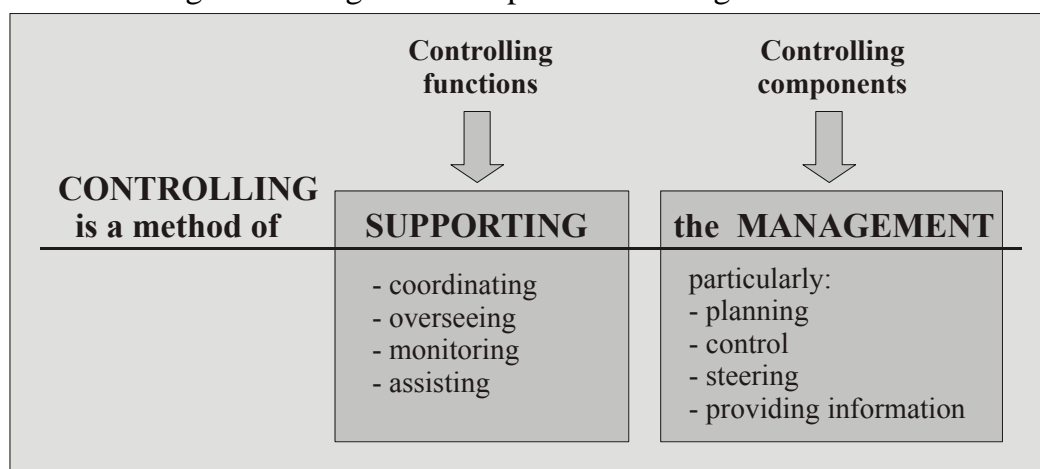


Fig. 1. Relations between controlling and management. Source: By author

3 CONTROLLER AS EXECUTOR OF THE IDEA OF CONTROLLING

Controllers executes the idea of controlling. His or her main objectives are creating, maintaining and developing controlling in the organization. The controller’s detailed responsibilities correspond to the tasks performed by controlling. In this context, the controller’s major task is participation in realization of activities of cells of the organization, coordination, supervision and monitoring of the workflow. The main goal is to support management process (especially planning and control, as well as steering) by participating in realization of the tasks, coordination, supervision and monitoring of the process.

Controlling focuses the managerial tasks from different areas of the organization on the objectives of the organization as a whole. The primary tasks of controlling are:

- 1) „...coordination of planning tasks within different organic functions of the company and integration of these tasks around the accepted system of objectives-results.
- 2) Simulation the outcomes of different managerial decisions,
- 3) Analysis of variances, in particular predicting future variances, analysing the causes of the variances and helping in preventing the occurrence of variances,
- 4) Providing management staff with the tools and information necessary for executing planning, control, steering” [4, p. 45; 10, p. 34].

Therefore the controller is responsible for the realization of the aims established for the company. That is why he accumulates, processes the information and presents the results of it in concise and readable form (together with the elaborated variants of decision) to the manager. On the other hand the manager analyses the delivered by controller information and makes the necessary decisions to achieve the aims established for the company. So, the controller becomes the manager's adviser and navigator of the company. The main tasks of him is to find out how to achieve of planned aims and to “prompt” solutions to the decisions making persons in the organization.

To present the relations between the controller and the manager we can use the Mintzberg's model of managerial roles. These roles were identified and described under three general categories: interpersonal (roles: figurehead, leader, liaison), informational (roles: monitor, disseminator, spokesman) as well as decisional (roles: entrepreneur, disturbance handler, resource allocator, negotiator) [7, p. 551]. Mintzberg's ten managerial work roles are presented in tab. 1.

Table 1. Mintzberg's ten managerial work roles. Source: [7, p. 552].

INTERPERSONAL ROLES	
Figurehead	Symbolic head; obliged to perform a number of routine duties of legal and social nature
Leader	Responsible for the motivation of subordinates; responsible for staffing and training
Liaison	Maintaining self-developed network of outside contacts/informers who provide information and favours
INFORMATION ROLES	
Monitor	Through seeking and receiving a variety of special information, develops through understanding of organization and environment
Disseminator	Transmits information received from outsiders and subordinates to members of the organization
Spokesperson	Transmits information to outsiders on organization's plans, policies, actions, results: serves as expert on organization's industry
DECISIONAL ROLES	
Entrepreneur	Searches organization and its environment for opportunities to bring about change
Disturbance handler	Responsible for corrective action when organization faces important, unexpected disturbances
Resource allocator	Responsible for the allocation of organizational resources of all kinds
Negotiator	Responsible for representing the organization at major negotiations

The interpersonal role arose from the manager's formal authority and occurred when a manager dealt with the others as a figurehead, leader or liaison. The informational role involved the manager's receiving, storing and sending information as a monitor, disseminator or spokesman. The decisional role involved making decisions about organizational tasks as an entrepreneur, disturbance handler, resource allocator or negotiator [7, p. 552]. It seems, that the controllers as the executors the idea of controlling support of management can take over some of realized by managers roles. It can concern first of all receiving, storing and sending information about changes not only in company, but out of it as well (roles: monitor, disseminator). Moreover the controllers can initiate and create the changes inside the organization (role: entrepreneur). In the limited scope the controllers can also participate in creating and maintaining the efficient net of cooperation inside the organization (role of liaison) and in decision making processes (role of disturbance handler).

The controllers support management (especially planning and control, as well as steering). They are the internal advisers of the management process and navigators that could enable the achievement of the planned aims [13, s. 182]. The relations between controllers and managers are presented on fig. 2.

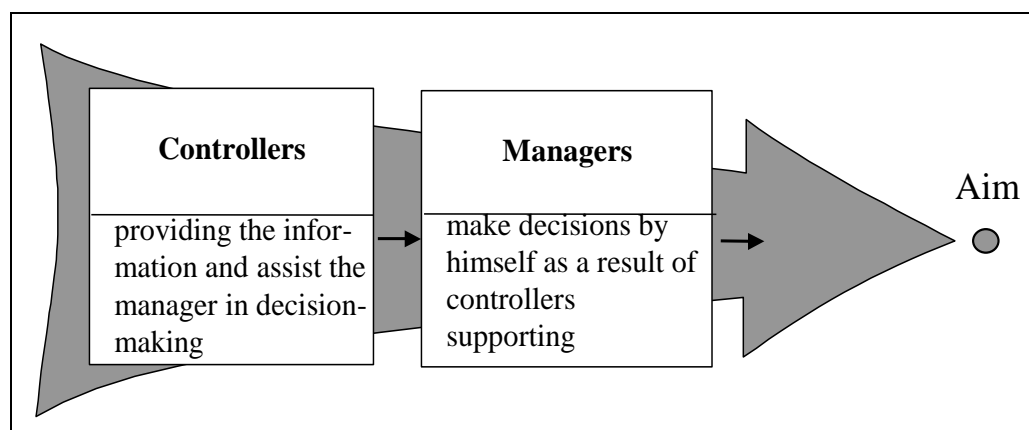


Fig. 2. Relations between controllers and managers. Source: [2, p. 27]

4 CONTROLLER'S PROFILE OF COMPETENCE

Controllers are “special responsible for identification and interpreting the signals about the company functioning and the changes in the enterprise surroundings” [9, p. 37]. That's why the requirements relating to them have the special character. They concern both the personal and the professional features of controller. The “model” controller should be the open minded expert that is able to perceive and identify the most important information relating to the company functioning, as well as quickly and effectively analyse and interpret them drawing out the adequate conclusions [9, p. 38].

H. Vollmuth maintains that "the success of controlling is closely connected with the personal talents of controller" [14, p. 29]. In order to make the controller possibility to realize his tasks correctly, it is necessary to definite requirements related not only to his personal abilities, but professional competence as well. Main requirements of the controllers personality concern the spotless opinion, communication skills, ability of persuasion, facility of abstract thinking, psychological intuition, the salesman's qualifications and skills of control the coworkers and subordinates [14, p. 29]. The requirements relating to the professional qualifications of the controller are first of all relative to knowledge of the conceptions, instruments and techniques of management, finances, accountancy as well as the cost accounting. All those requirements cause, that on the controller's should become the person, which would be able not only to analyze an existing situation but - on this basis – by implementing the proper systems of planning, control and steering, to generate accurate solutions bringing nearer enterprise to planned aims.

The competence profile of controllers is presented in tab. 2. It concerns the main requirements regarding the controller's personality. The competences were identified and described under twelve categories that could be divided in two general groups: professional competences, which treat to professional skills and knowledge, and base competences which define personal, social and cognitive features of controllers.

Table 2. *Controller's profile of competence. Source: By author based on [15]*

Competence	Description
1	2
Professional:	
Knowledge of the controlling tools and the tools of management	Knowledge of managerial accountancy, modern models of accounting, cost accounting, basis of finances. Knowledge of the conceptions, instruments and techniques of management
Knowledge of IT tools	Knowledge of IT tools used directly in seeking, receiving a variety of special information (especially related to costs and incomes), analyzing them and transmitting to the members of the organization. Skills of creating the reports and presentation the result of the analysis in the proper, concise and readable graphical form
Personal:	
Effectiveness	Finishing the tasks with the measurable results. Overcoming the obstacles and implementing the innovations (corrective or preventing activities) due to the achieving planned aims. Concentrating on achieving aims related to the priorities of the enterprise
Marking out the priorities	The independent (self reliant) marking out the most important tasks connected with strategy of enterprise as well as the requirements of situation

1	2
Analitical thinking	Dividing the problems, situations or processes to the elements, understanding the importance of each elements and the relations among them. Searching and critical analysis of proper information. Making the proper conclusions
Complex thinking	The complex understanding of the problem or the situation due to joining the information or the use of the theoretical model of the problem. Diagnostics similarities and relationships among the situations
Social:	
Team working	Cooperation with other coworkers and building the proper relations among them for achieving the planned aims. Realization of own tasks and supporting the realization of the team task
Communication	Transmitting a variety of special information to the members of the organization in the verbal form and in writing in concise way. Effective expression of thoughts, adaptation the style and the form of transmission of information to the particular needs of coworkers. Skill of active listening as well as the maintenance the contact with the interlocutor
Persuading	Informing the coworkers about the value of elaborated ideas ond projects and convincing them to realize it. Conquering the commitment and supporting of coworkers in realization of planned activities. Proper motivating of subordinates
Cognitive:	
Readiness for learning	Realization the activities related to spread the knowledge, avail of experience of the coworkers
Creative problems solving	Usage of the creative ideas to the problems solving. Ingeniousness in creating the new ideas and conceptions. Usage the methods of creative thinking (e.g. brain storming) to the problems solving

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