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EFFICIENCY OF THE CONTROLLING APPLICATION IN THE CORPORATE MANAGEMENT

Abstract: Controlling activity represents a difficult creative process which is based on forecasting of conditions of realization of effective administrative activity. A place, role, and process of controlling in the corporate management should be focused on the improvement of the efficiency of the management of current economic activities by application of adequate approaches and methods.

Keywords: efficiency, controlling application, corporate management.

1. Introduction

The problem of the usage of controlling mechanisms in modern conditions of corporate governance is considered in the article. Consideration of controlling is conducted as a factor of acceptance of expedient administrative decisions, method of perfection of management processes on an enterprise with the purpose of maintenance of stability in the period of overcoming organization of the crisis phenomena in an economy. Also the elements of the system of controlling and the basic instruments of controlling are presented in the article, its role is considered in the increase of efficiency of management processes.

2. Timeliness of this topic

Controlling gradually becomes the modern mechanism of increase of efficiency of management. Thus the increase of his influence on acceptance of administrative decisions, especially in the system of socio-economic development of corporations is underlined.

The timeliness of research is conditioned by the absence of uniform approaches to understanding the specifics of controlling activity and construction of the system of controlling. The analysis of positions of domestic and foreign scientists and practical workers of controlling, as a component part of the theory and practice of management, showed ambiguousness of scientific interpretations of determination

of aims of controlling, basic strategic and tactical tasks of controlling in corporate organizations and unitary enterprises, subjects, objects and methods of controlling activity.

The object of the article is the formulation of the conceptual bases of construction and development of the controlling system in the management of the corporation development.

The following aims have been formulated for the achievement of the objective:

- definition of the essence and features of controlling system in corporate governance,
- definition of the structure and elements of controlling system,
- the structural analysis of the administrative reporting forms in the controlling system.

When the state policy concerning corporations only finds their legislative and organizational forms, the basic introduction and perfection of controlling process in a real sector fall on a corporate level of the administrative relations.

According to the researches [2] the corporation can be understood as a form of the organization created by a group of persons for employment by business, being in their joint property, and having (an example: associations, societies) or not having (an example: association, the union, corporation, holding) the status of the separate legal person with the rights and obligations.

While the corporation is developing, its management receives the goals of the coordination of and approval for actions of the separate enterprises from one group according to the indivisible corporate strategy. The account and the analysis of the administrative information play the important role in the task solution [4].

For liquidation of “asymmetry” entrance of administrative information between councillors directors, director general and managers it is suggested to use the system of controlling, which forms the system of gathering and processing the information, necessary for acceptance of timely administrative decisions on the different managerial levels. The controlling system is focused on the future results of activity and is not connected with documentary check of last results unlike the control, revision and internal audit.

Now there are some approaches to controlling in the theory and practice of the domestic economic processes.

Some experts notice that controlling is an internal control, others consider that controlling is an audit version. Experts of the enterprise automated control systems believe that controlling is practically the same as the automated control systems, but inclusive of the new managerial conditions. Sometimes controlling is compared also to the system of the goal programming. More often controlling is identified, partially or completely, with the managerial accounting [5; 6].

In the controlling system there is enough place for the managerial accounting, control, audit and goal programming, but they are not nearly all basic principles, tools and controlling methods.

Controlling activity starts with the solving of the following problems:

- formation of the information system providing exact monitoring of management, which is necessary for the analysis of tactical and strategic plans, results of an enterprise activity and deviations from the set parameters;
- formulation of the purposes and development of recommendations for decision-making, plans, programs from the point of view of their resources maintenance;
- establishment and application of sanctions to management for a non-fulfilment of taken decisions and infringement of developing conditions of the managerial subject.

The controlling system in a corporate governance can be understood as the mechanism providing cumulative process of the analysis of the financial and economic activity results, an estimation of the actual data deviation (a quantitative and qualitative condition) from planned, under the influence of the external and internal environment, and realization of the plan package by management for the purpose of the most optimal and promptest decisions-making in management of the corporate organization development with their subsequent account and updating [3; 6].

Proceeded from the practice of financial and economic activity management of a corporation, controlling is represented as the system consisting of the following independent economic elements: functions of controlling, subjects of controlling activity, objects of controlling, information sources of controlling system, administrative relations in controlling system, methods of controlling system, and from several independent, but interconnected subsystems: the purposes, aims, planning system, budgeting system, reporting system, etc.

The functions and tasks of controlling selected during the research are presented in Table 1.

Table 1. Functions and problems of controlling

Controlling function	Solved problems
Planning function	<ul style="list-style-type: none"> • Definition and the coordination with managers who are responsible for control objects from the list of critical factors for management • Working out and the coordination of indicators reflecting critical factors of the control economic objects
Coordination function	<ul style="list-style-type: none"> • The coordination of the goal posts, production plans, budgets, estimates • The definition and the coordination of the financial and administrative information • Analytical function • Carrying out the analysis of the planned indicators and clearing up the deviation reasons
Control function	<ul style="list-style-type: none"> • Drawing up the summary reporting in achievement of the planned indicators • The control of the decision-making according to the results of the analysis

Source: [1].

Practical achievement of the purposes of controlling the corporation activity is connected with the creation and maintenance of effective functioning of the mechanism for the implementation. The mechanism of this activity realization can be understood as a set of methods, tools with help of which controls influence participants of controlling process in order to solve the problems of social and economic corporation development.

The new approach to conditions of controlling realisation in the corporate organisations, according to the authors, should provide a qualitatively new level of the administrative activity. Limitation of corporate resources, accumulation of problems in administrative sphere should define the following principles of controlling introduction into the functional area of the corporate organizations:

- formation of statutory acts and a controlling technique in a management sphere should belong to the property owner's competence;
- competence of changes at carrying out the administrative and economic reforms of a corporation, including redistribution of powers, creation of adequate system of motivation and stimulation;
- the account of social aspect by working out and support of programs of restructuring.

3. Conclusions

Formation of the controlling activity represents a difficult creative process which is based on forecasting of realization conditions of effective administrative activity. A place, role, and introduction process of controlling in the management of the corporate organization should be focused on a qualitative improvement of a management efficiency of current economic activities by means of re-comprehension of approaches and definition of specific methods. This position is formed within the limits of the general social and economic development of corporation, co-coordinated with it on the purposes, stages, and realization terms.

As the analysis of the managerial theory and practice shows, the realization of financial strategy to the full at the enterprise promotes the introduction and use of the integrated system of controlling. By co-coordinating, integrating and directing activity of all control systems by the corporate organization into achievement of the objects, controlling fulfils a function of management and is a certain synthesis of such sub-systems of management as planning, the account (in a considerable share administrative), the operative control and the analysis, information logistics and some others.

Realization of the controlling mechanism on the basis of the administrative account is one of the basic conditions allowing a management of the enterprise to make the correct and the timely administrative decisions.

References

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EFEKTYWNOŚĆ WDRAŻANIA CONTROLLINGU W ZARZĄDZANIU PRZEDSIĘBIORSTWEM

Streszczenie: Podejmowanie działań kontrolnych stanowi proces twórczy oparty na prognozowaniu warunków skutecznej realizacji działań administracyjnych. Rola procesu kontroli w zarządzaniu korporacyjnym powinna koncentrować się na poprawie efektywności zarządzania bieżącą działalnością gospodarczą poprzez zastosowanie odpowiednich koncepcji i metod. Z teorii i praktyki zarządzania wynika, że realizowana strategia finansowa przedsiębiorstwa wpływa na wprowadzanie i stosowanie zintegrowanego systemu kontroli. System ten powinien wspierać działania wszystkich jednostek organizacyjnych przedsiębiorstwa prowadzące do osiągnięcia celów. Kontrolowanie spełnia funkcję zarządzania i łączy inne podsystemy zarządzania. Realizacja kontroli na podstawie rachunku odpowiedzialności administracyjnej jest jednym z podstawowych warunków umożliwiających skuteczne zarządzanie organizacją oraz podejmowanie decyzji we właściwym czasie.