CONTROLLING IN TERRITORIAL UNITS

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The paper attempts to identify the barriers for introducing controlling in local administration entities in Poland. This problem is particularly important as the perception of their activity is changing. From administrative units, performing centrally imposed tasks, they have transformed into active market players.

A number of changes is necessary to ensure development and catch up with market transformations. One of such changes can be controlling, which is a management method focused on performance planning and control. Controlling refers to a function within the management system in organization where the executive system is controlled through plans. It is supposed to coordinate all management subsystems using the same instruments and mechanisms that are utilized by the management system. The purpose of controlling is to improve management efficiency and effectiveness as well as consolidate the ability to adjust to changes occurring inside and outside the organization.

Keywords: management, controlling, local administration entities.

Introduction

As a result of the changing environment, collective management systems are becoming more and more important, with all the participants being involved in the decision making process and pursuing strictly defined goals – to ensure organization development and improve organization’s external image. One of such solutions is controlling, which introduces a rational division of competence and responsibility at all management levels and relates actual performance to the motivation system. It also allows for ensuring that any processes taking place within the organization proceed as planned and for delivering any information necessary for making decisions to ensure uninterrupted functioning and development of the organization. It is also a tool that changes the mentality of all participants within the organization, and, by getting them involved, positively affects work quality and efficiency.

The purpose of this study is to present the importance of controlling for the future of local administration entities and to identify the barriers which need to be overcome as the first step to effectively introduce this management method.

Controlling as an instrument to improve management efficiency in a local administration entity.

At present, public organization management is the competitive orientation development phase. However, competitive advantage of local administration entities cannot be examined in the same way as for commercial enterprises. The most appropriate definition of competitive advantage for local administration entities refers to, better than in competitors, mastering of certain competences that determine success in a domain of activity (Stabryla, 2000).
Participation in the competitive game certainly implies that the goals are more closely related to the expectations of the environment. However, this cannot mean that the entity surrenders to external pressures, but creates – with participation of recipients – products that will meet their expectations. In the broad meaning, public product can be deemed any service rendered by public administration organizations for citizens, businesses and organizations operating within the area of the administrative unit. After a closer study, the following can be distinguished (Zawidzki, 2004): administrative services, social services and technical services.

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The presented definition of controlling seems to indicate that this method can be successfully used in local administration units where very important are plans determined by the development strategy, district's long-term investment and financial plans, as well as by budgets being a reflection of the unit's operating (current) plans.

In order to implement controlling, it is necessary to flatten the structure of organization, since budgeting, as a method of management that needs to be broadly applied in these entities, requires delegation of responsibility to lower levels and forces participation in pursuit of achieving common goals. It also takes a great deal of commitment and knowledge about the whole organization on the part of responsible persons to effectively separate centres of responsibility. As a result, the structure of organization may need to be modified, what is particularly difficult in the context of local administration entities.

The purpose of the study was to determine to which degree the entity's structure of organization is flattened, what is the level of education as well as knowledge and predisposition to manage local administration entities among persons holding managerial functions; the study was also supposed to determine the scope of operation of respective IT systems, which determine the reliability, speed and credibility of supplied data.

An important problem related to the flattened structure of organization is provide a clear and understandable vision of the future and goals pursued by the organizational entity. When these are clearly expressed, commitment is greater and employees achieve new experience and skills. One should not forget that appropriate motivation of all employees and their contribution to success are foundations of the organization's operation and development.
Conclusions

1. Local administration entities operating in a market economy need to improve the quality of management. Apart from access to capital, it is the quality of management that is critical in order to improve the effectiveness of all organizations. Changing environmental conditions force constant quality control of all decisions, and the best tool to ensure such control is controlling. With higher management effectiveness, the opportunities will be greater for further operation and development.

2. System solutions will be necessary to flatten organizational structures in local administration entities and get involved in the planning process all parties responsible for implementation of plans. This implies greater involvement of the local administration entity's personnel in the preparation of budgets, and yet requires them to have adequate education and professional preparation.

3. In order to implement controlling, IT equipment in local administration entities will have to be improved, and appropriate databases will need to be created to streamline the operations and improve quality and efficiency of civil servants' work. These systems will also provide a source of information, whose quality, speed and ease of access largely affect various decisions made by the directors and responsible persons.

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