B. Krul – The Controller’s Role. Matching expectations at Tata Steel IJmuiden

Abstract

Several projects have been put in place in Tata Steel IJmuiden to facilitate a shift in the controller’s role from ‘Scorekeeper’ to ‘Business Partner’. Various authors have indicated a need for such a shift (Siegel et al., 2003a; van der Meer-Kooistra, 1999; Granlund & Lukka, 1998; Friedman & Lyne, 1997; Kaplan, 1995). However, in making such a shift, the expectations operational managers have regarding this business partner role are only considered to limited degree. It has been identified that research into these expectations and its impact on the controller’s role is necessary and important (Byrne, 2009; Jablonsky & Barsky, 2000).

In this study, it is hypothesized that controller and operational manager expectations regarding the controller’s role are different and that this leads to role stress and that this in turn leads to lower controllership effectiveness. It is found that operational managers and controllers rate a majority of typical controller activities in a comparable way, but differ in opinion on fourteen out of thirty-nine of them. It appears that controllers attach greater importance to more business partner type activities such as leading and supporting change processes and that operational managers attach more value to more scorekeeping type activities, such as after the fact control and processing information from financial systems. This could indicate that controllers in Tata Steel IJmuiden are in a transition to becoming business partners, but operational managers have not aligned their expectations to this. On the other hand, it could indicate that operational managers have a higher ‘scorekeeping appetite’ than anticipated by controllers. Both paths of resolving the identified role conflicts may be considered in executing the current projects undertaken in the Tata Steel IJmuiden finance organisation.

There is evidence that differing role expectations lead to role conflict, but not to role ambiguity. Furthermore, role ambiguity is associated with lower controllership effectiveness, but role conflict is not. Several studies indicate dysfunctional effects other than lower job performance related to role conflict (Yetmar & Eastman, 2000; Grover & Hui, 1994; Jackson & Schuler, 1985), so resolving role conflict seems beneficial nonetheless. On the other hand, if higher controllership effectiveness is the most important goal, resolving role ambiguity seems more promising than resolving role conflict.