

The Roles of Casino Controllers

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Abstract

The purpose of this research was to examine the managerial and finance roles of casino controllers. Controllers were surveyed and interviewed about the current state of their role within their companies. A survey was given to 60 casino controllers attending the casino controllers' conference at the Monte Carlo Resort in Las Vegas on March 16, 2000. Interviews were conducted with five casino controllers to obtain qualitative information that could not be obtained through the questionnaire. The results provide detailed information on the role behavior of casino controllers and their contribution to organizational goal attainment.

Keywords: controller, controllership, interpersonal roles, informational roles, liaison

Introduction

Today's controllers are transcending their conventional accounting roles as mere "number crunchers" and guardian of the company's assets. They are going beyond functional roles to contribute in such areas as minimizing costs, improving efficiency and consequently adding value to the organizations (Messmer, 1999). A role is defined as an organized set of behaviors belonging to an identifiable office or position (Mintzberg, 1973). The perception of the roles of controllers is that of a chief accountant who supervises and maintains the formal corporate records (Wilson and Colford, 1991). Role ambiguities and role conflict that have arisen with respect to the reporting structure of the controller constitute points of controversy. The question of whether the controller should be responsible to the corporate financial executive and work for the general manager, or whether the controller should be responsible to the general manager, working under laid down policies and methods prescribed by the corporate financial executive, remains unresolved. There seem to be no clearly defined boundaries to the controller's role in business. The scope of the controller's job is not confined to the basic accounting, reporting, and control functions, although these functions are regarded as universally acceptable to controllers (Gibson, 1998).

The purpose of this study is to examine the various roles of casino controllers in the gaming industry. Specifically, this study proposes to determine controller functions within casino operations and the impact they have on the finance department. Today's casino controllers must help their hotels in planning, organizing, directing, and measuring integrated relevant data into the financial reports. Proper integration and monitoring of these functions are essential to the growth and profitability of a casino operation (Goussak, 1994).

In order to understand the role of a casino controller it is imperative to understand the meaning of "controllership." Controllership can be defined as the function embracing the recording and utilization of all pertinent facts about a business for the purpose of: (1) protecting the assets of the business, (2) complying with legal record-keeping and reporting requirements, and (3) communicating to the management

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information which will assist in the planning and control of operations (Anderson and Bragg, 2000). In other words, controllership is a vital and constructive factor in business management.

A controller is the financial executive of a firm with combined responsibilities that may include accounting, internal auditing, budgeting, profit planning, performance reporting, tax control, and other corporate financial and management activities (Anderson, 1947). This definition is also applicable to the term "office of controller." The legal statute that gave recognition to the office of controller was the Securities and Exchange Act of 1933. The Act provides that the registration statement filed with the Securities and Exchange Commission must be signed by the controller of the issuing corporation or by its principal accounting officer, as well as by its other principal officers (Goodman and Reece, 1978). According to Goodman and Reese (1978), the controller is the executive manager for a company's accounting function. The controller coordinates management's participation in the planning and control phases of attaining objectives, in determining the effectiveness of policies, and in creating organizational structures and procedures.

The controller is the financial executive primarily responsible for both management accounting and financial accounting. The modern controllers do not do any controlling in terms of line authority except over their own department. However, the modern concept of controllership maintains that the controller does control in a special way. That is, by reporting and interpreting relevant data, the controller exerts a force or influence that impels management toward making better informed decisions (Horngren, Foster, and Datar, 1997).

Therefore, the title of controller is in essence a misnomer. The controller in reality does not exercise any control of a line authority outside of his/her own department. However, as stated by Horngren and Foster (1991), the controller by reporting and interpreting relevant data exerts a force or influence that impels management toward logical decisions consistent with objectives.

In small and medium size casino properties the hotel controller would be responsible for the internal controls, compliance with certain gaming regulations, and casino accounting functions. However, in large casino resort properties there is a tendency to have two controllers. The hotel financial controller would be responsible for general accounting functions while the casino controller deals with the casino accounting functions.

The major research objective of this study is to determine the casino controller's working roles. This is accomplished by examining the profile of casino controller functions. The purpose of gathering this information is to provide a better understanding of casino controller functions as the nerve center of the casino operations to both casinos controllers and other managers. Ultimately this could provide information that can be used to improve the efficiency of the casino controller's performance.

This study used structured-direct interviews and a closed-end questionnaire to examine the nature and functions of casino controllers. The questionnaires were given to casino controllers at their annual conference on March 16, 2000 at the Monte Carlo Resort. The interviews were done through personal contact and by telephone. This design was used because it would provide important perspectives on the role of casino controllers.

The following questions were addressed in this study. What size properties use casino controllers? What are the managerial roles of a casino controller? How do casino controllers spend their time on various activities? What percentage of time do casino controllers spend on deskwork? What are the types of technical knowledge required by casino controllers? What are the types of internal audit functions performed by casino

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controllers? What information technology challenges currently face casino controllers? These are important questions for casino executives and also academicians faced with a curriculum that continues to emphasize effective management of casino operations.

Answering these questions will provide more structure for working roles for casino controllers, who can then evaluate their current functions with the findings from these questions and determine if they need to make any changes that could improve their efficiency and effectiveness in managing their casino operations. Also, answering these questions will provide other managers and academicians with more insightful knowledge of casino controller functions not addressed in prior research. These questions can easily be answered by a traditional empirical model. Therefore, the data collection method used is a combination of interviews and survey.

The remainder of the paper is organized as follows. The theoretical framework, developed from existing literature on studies related to corporate controllers, is presented in section 2. The setting and collection of data will comprise section 3. Analysis of data and findings are described in section 4. Conclusion, limitations, and suggestions for future research will be discussed in section 5.

Literature Review

Background Information

To understand the evolutionary role of casino controllers it is imperative to examine the development of legalized gambling in Nevada. The development of legalized gaming in Nevada, passed by the State Legislature in 1931, led to the modern era of casino gambling (Marshall and Rudd, 1996).

By the late 1960s, several publicly traded corporations began to purchase casinos in Nevada. A few of these corporations began to move casino credit managers and their responsibilities for customer-credit policies and cage financial procedures, from the direct supervision of the casino managers to the accounting department under the financial controllers. During the 1970s, casinos audit controls were substantially increased to satisfy the requirements of the Nevada State Gaming Control Board, the Internal Revenue Service, the Securities and Exchange Commission, and the Big Eight Auditing firms (Friedman, 1982). It was assumed that these new requirements were too much for the hotel financial controller, so the casino cage financial procedures and gaming regulation reports became the duties and responsibilities of what would be called the casino controller.

In the hospitality industry no empirical research has been conducted on the roles of casino controllers. However, there are several published articles on hotel controllers, which provide relevant and general information that is equally applicable to the role of a casino controller. This research provides a framework critical to an understanding of the role of a casino controller.

Perception of the roles of financial controllers

Runk and Loretta (1989) found that chief executive officers expect their controllers to apply their financial expertise and resources to business decision-making. Although

management still requires a sound control and reporting framework, controllers should not limit their activities to accumulating, recording and reporting financial information. Sathe (1982) looks beyond the basic function of ensuring the correctness of financial reports, to the further responsibility to help the management team in the decision-making process. He sees incompatibility with the regulatory responsibilities of the controller and the necessity to satisfy management's needs creating role ambiguity, with the controller as either independent of the management or involved with the management.

Although management still requires a sound control and reporting framework, controllers should not limit their activities to accumulating, recording and reporting financial information.

According to Pipkin (1989), company presidents and chief executive officers think that the role of the controller is to look after the assets, ensure good internal control, publish the financials accurately and on time, avoid surprises, and be a good team player. This does not sound like the president and chief executive officer accept the controller as an integral part of the decision-making process. Runk and Loretta (1989) acknowledge that many controllers in some industries have not grown beyond their traditional roles to provide essential decision support services. There is little consistent evidence to conclude that superiors and peers universally expect and welcome the controller giving as much emphasis to decision-making roles as to supplying information (Gibson, 1998).

Evidence in the literature is that the particular industry and its traditions and developments have a critical influence on the behavior of its managers. The hotel industry is no exception. Further review of empirical studies identified research relevant to the expansion of the hotel financial controller's role in decision-making, and to determine whether circumstances exist that are compatible with the casino controllers' decision-making role.

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Hotel Controller's Participation in Decision-Making

There have been very few published empirical studies of hotel controllers. The majority of studies on hotel controllers have been "profile" surveys of their work. Geller and Schmidgall (1984), Geller, Ilvento, and Schmidgall (1990), and Tse (1993) surveyed controllers in the United States, while Burgess (1996) compared controllers' work activities in the United States, United Kingdom, and Hong Kong. Moore and Stefanelli (1989) examined the perception of U. S. controllers in participation in decision-making roles.

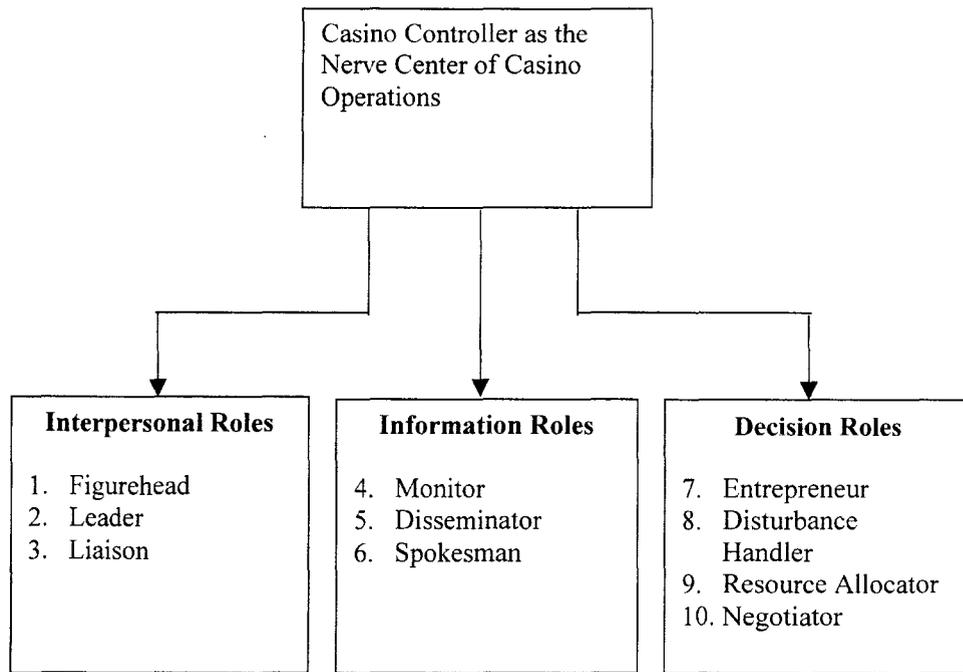
Geller and Schmidgall (1984) and Geller, et al. (1990) investigated the status of controllers. They examined the role of controllers on the management team, by asking those surveyed whether they were members of their properties' executive, compensation or planning committees. Results revealed a high incidence of membership in executive committee (82 %), compensation committee (75 %), and planning committee (94 %). This study focused on hotel controllers' interpersonal roles.

Burgess (1994) investigated the past and current roles of hotel controllers, together with their education and training needs for the future, and needs based on predictions as to the controller's future role. She found that controllers had become much more influential in operations, acting as advisors to other members of the management team in the effective running of their departments. Burgess's (1996) comparison of the work of controllers in the U. S., U. K., and Hong Kong found that hotel controllers perform essentially the same tasks in all these geographic regions. In other words they performed interpersonal, informational and decision roles.

Moore and Stefanelli (1989) concluded from their study that controllers perceived themselves to be more involved in decision-making than was perceived by their superiors and peers especially in the area of strategic and non-financial decisions. Hotel controllers believed that they have a more involved role while peers think that their role was regulatory in nature. The emphasis of their studies was on hotel controller's decision roles.

The relevancy of these studies is that they provide three essential functions of hotel controllers that can be linked to casino controllers. These functions are interpersonal roles, information roles, and decision roles. These functions are linked to casino controllers' working roles (see Figure 1).

Figure 1
The Casino Controller's Working Roles



Adapted from: Mintzberg (1973).

These empirical studies have added greatly to the knowledge and understanding of the expanding role of hotel controllers. There was no evidence from these studies to indicate that hotel controllers were precluded from participating in decision-making. Based on the results of these studies it is anticipated that casino controllers would be given similar opportunities to participate in the decision-making process within a casino resort property.

Theoretical Consideration for the Research Design

This study supports the theory that the culture of casino controllers can best be described, interpreted, and explained through the theory of managerial roles. Mintzberg's (1973) theory of managerial roles will be used to explain the role of casino controllers. This theory was selected because it has been used as the basis for much empirical work in the hotel industry to explain managerial effectiveness. Dann (1990) has attributed Mintzberg as a key influence in his attempt to integrate studies conducted in the hospitality field with those in other industries.

Mintzberg's theory of managerial role examined *what* managers do. This theory states that managerial activities may be divided into three groups. First, from formal authority and status come the interpersonal roles that involve figurehead, liaison, and leader. Second, are informational roles that identify a manager as a monitor, disseminator and spokesman. Third, decisional roles take into account entrepreneur, disturbance handler, resource allocator, and negotiator (Mintzberg, 1973).

The roles of casino controllers are considered to be managerial activities. Therefore, Mintzberg's theory of managerial roles distinguishing decision-making from interpersonal and informational will be the foundation for this study. The assumption made was that casino controllers' managerial role represents individual human contributions to organizational goal attainment, and therefore, their decision-making in casino resort properties could be classified as policy decisions, administrative decisions, and executive or ad hoc decisions.

Figure 1 provides a conceptual framework to assist with the understanding of casino controller's managerial roles. It is imperative to understand that the conceptual framework does not answer the question of what casino controller's do on a day-to-day basis. However, it shows the casino controller roles in relationship to Mintzberg's theory.

Mintzberg's analysis produced ten managerial roles shown in Figure 1: interpersonal roles (figurehead, leader, and liaison), informational roles (monitor, disseminator, and spokesman), and decisional roles (entrepreneur, disturbance handler, resource allocator and negotiator). According to Mintzberg (1973) the work of managers of all types can be described in terms of these ten observable roles. Mintzberg's theory of managerial roles has been used by Ley (1980) to study the roles of general managers, Ferguson and Berger (1984) to investigate what restaurant managers "really" do, and Gibson (1998) to conduct an empirical study on hotel financial controllers decision-making roles. This study will use Mintzberg's theory as a guide to investigate the casino controller's managerial activities and managerial roles.

Mintzberg's ten theoretical concepts of managerial roles can be applied to the roles of casino controllers. The three interpersonal roles are derived from the casino controller's formal authority and status. In turn these give rise to three informational roles, which enable the casino controllers to perform the four decisional roles.

Three Interpersonal Roles

1. *Figurehead*. The simplest of the managerial roles of a casino controller is that of a figurehead. Here the controller is obliged to carry out a number of social, inspirational, legal and ceremonial duties. Also, the casino controller must be available to certain parties that demand to deal with that office because of its status or authority.

2. *Leader*. The leadership role identifies the casino controller's relationship with subordinates. The casino controller will normally define the working environment for subordinates. Casino controllers are responsible for hiring, training and promoting their subordinates. The leadership role pervades virtually all the casino controller's activities in which subordinates are involved. The power of a casino controller is most clearly shown in the leadership role.

3. *Liaison*. In this role casino controllers develop a network of contacts outside their organization in which information and favors are traded for mutual benefit. Casino controllers spend considerable amounts of time performing this role.

Informational Role

4. *Monitor*. As monitors, the casino controllers continually seek and receive information from a variety of sources in order to develop a better understanding of the organization and its environment. A significant part of the casino controller's information is current, tangible, and documentary. Therefore, the casino controller must take responsibility for the design of internal controls that can build liaison contact with subordinates and customers.

5. *Disseminator*. The casino controller as a disseminator sends external information into the organization and internal information from one subordinate to another. This information may be of a factual or value nature. The dissemination of values occurs in terms of specific statements on specific issues.

6. *Spokesman*. As spokesman, the casino controller must transmit information to various external groups. The casino controller must act in a public relations capacity for the organization, also keeping superiors informed of the organization's performance, plans, and policies. Casino controllers are also responsible for sending useful information to their liaison contacts.

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Decisional Roles

7. *Entrepreneur*. The casino controller initiates and designs much of the controlled changes in the organization. The casino controllers should search their organization and environment for opportunities and initiate improvement to bring about change.

8. *Disturbance Handler*. Here casino controllers are responsible for corrective action when their organization faces important and unexpected disturbances. Faced with disturbance the casino controller should give priority and devote efforts to solve the problem.

9. *Resource Allocator*. The casino controllers as resource allocator oversee the allocation of resources in relation to casino operations. This involves three essentials: scheduling time, programming the work of the organization, and authorizing actions. Basic control over resource allocation is maintained by the casino controller through authorization of all significant decisions before implementation.

10. *Negotiation*. As a negotiator the casino controller would take charge when the organization authorizes such activity. In this capacity the casino controller participates as a figurehead, spokesman, and resource allocator.

These ten roles indicate that casino controllers act as generalists within their organization, but are in fact specialists required for conducting a particular set of specialized roles. Figure 1 shows that the casino controllers serve as the “nerve center” of the casino operation for financial information. While these theoretical concepts regarding the roles of casino controllers provide a better understanding of their managerial behavior they do not provide an explanation of how they spend their time and what they do. The main objectives of the survey and interviews were to address these issues.

RESEARCH METHOD

Survey Method

Traditionally management researchers use interviews and questionnaires in conducting their studies (Ferguson and Berger, 1984). Gibson (1998) used interviews in preference to a questionnaire as the most appropriate method for eliciting data to analyze the roles of hotel controllers. Schaefer (1988) used interviews to collect data regarding the challenges facing hotel controllers. However, Geller and Schmidgall (1984) and Geller, Ilvento and Schmidgall (1990) used questionnaires to collect data for analysis of hotel controller’s duties and responsibilities. This study used a combination of questionnaire and interview to investigate the roles of casino controllers. This combination method was used to collect data because it improves the accuracy of data collected, employs flexibility in questioning techniques, offers speed of data collection and low cost (Petkova and Petkova, 2003).

The questionnaire developed for this study used structured and fixed alternative questions. Using structured questions imposed a degree of standardization on the questionnaire, while fixed alternative questions limited responses to stated alternatives. The advantages of using structured questions are ease of administering and ease of tabulating and analyzing. Fixed alternative questions provide dimensions for framing replies that help to ensure the reliability of the questions.

The scale measurement used in the questionnaire was a five-point Likert scale. Critical to the scale quality was the use of appropriate psychometric characteristics (Bruner and Hensel, 1992). For expert judgment on the questionnaire, it was reviewed by five professors from the University of Nevada Las Vegas for appropriateness, meaningfulness, and usefulness. The questionnaire was later revised to incorporate additional information that was recommended to strengthen the validity of the instrument.

Structured-direct interviews were conducted for this study. This type of interview used a pre-specified set of direct questions. The objectives of using this form of

interviewing technique were to minimize interviewer bias, to make it easier for the respondent to answer, to promote the same meaning across respondents, and to collect responses that are relatively easy to interpret. According to Tull and Hawkins (1984) this type of interview is recommended for use in final stages of a research project. Therefore, the interview was used to obtain supplementary data that would complement the data gathered from the questionnaires.

Sample Size

The sample for this study came from the Hospitality Financial and Technology Professionals Pre-registration List for the 2000 Casino Controllers Conference held at the Monte Carlo Resort and Casino. This listing contained 60 participants. This was a convenience sample so relevant demographics about hotels (size, management and ownership) and casino controllers (age, gender, education and experience) were incorporated into the questionnaire. The survey was given to the 60 participants at the conference and 36 were returned. Two were discarded because they were incomplete.

Five casino controllers were selected for interviews to obtain additional information regarding the distinguishing characteristics of their work. The sample for the interview was drawn from the Las Vegas Convention and Visitors Authority Hotel and Motel Listing. It was a convenience sample of all hotels with capacity of 1000 or more rooms, which results in a total of 26 hotels. Only five controllers from these 26 hotels were willing to participate in an interview.

Interviews were used in conjunction with the survey to capture additional information regarding the distinguishing characteristics of casino controller functions that could not readily be obtained from just a survey. For these distinguishing characteristics structured interviews were the most appropriate method in preference to questionnaires for eliciting data. The analysis of the content of the interviews necessitates the adoption of quantitative research methods in order to maintain validity, reliability and objectivity within the study (Malhotra, 1999).

Chain affiliation and independent represented 56 and 44 percent respectively. The controllers surveyed for the study came from properties of many sizes. Almost 32 % came from properties that made under \$100 million in annual gaming revenue; 26 % of properties made \$100 – \$199 million in revenue, while 42 % of the properties made over \$200 million. Publicly traded corporations accounted for 74 percent and non-publicly traded was 26 percent. Males represented 65 percent and females 35 percent of the respondents. The majority (85 percent) of casino controllers surveyed earned a base salary of over \$50,000 annually. The ethnic background of all the respondents was Caucasian.

Table 1 shows the level of knowledge required for each function performed by the casino controllers measured on a five-point Likert scale (low 1 2 3 4 5 high). Accounting/auditing have the highest mean score of 4.71 followed by finance and gaming law with mean scores of 4.38 and 4.03 respectively.

Table 1
Knowledge Required by Casino Controllers (n=34)

Functions	Means	Std. Dev.
Accounting/Auditing	4.71	.52
Finance	4.38	.78
Gaming Law	4.03	.83
Taxes/Licensing Fees	3.91	.89
Casino Security	3.50	.90
Human Resources	3.35	.69

Scale: Low 1 2 3 4 5 High

Analysis of Table 2 indicates that casino controllers were responsible for two major audits, a revenue audit and a casino audit. The revenue audit is divided into four separate, but interactive sub-departments that include gaming audit, food and beverage audit, hotel audit, and box office audit. These four sub-departments are responsible for the daily review/audit and journal entries for all of the organization's revenue centers (Goussak, 1994). All 34 respondents conduct revenue audit and gaming audit.

Table 2
Casino Controller Audit Functions Perform (n=34)

Audit Functions	No.	%
Revenue Audit	34	100
Casino Audit: Gaming Audit	34	100
Food and Beverage Audit	30	88
Hotel Audit	29	85
Box Office Audit	19	56

Note: Total may not sum to the total number of respondents in a category because respondents do not perform all the audit functions.

The usefulness of the Daily Manager's Report (DMR) or Daily Operating Report (DOR) is summarized in Table 3. The five variables used to assess the level of usefulness of the DMR were measured on a five-point Likert scale (low 1 2 3 4 5 high). Review of the daily profit and loss summary of operation had the highest mean score of 4.35, followed by the review of gaming results and statistics (4.29). Review of payroll reports had the lowest mean score of 3.74.

Table 3
The Usefulness of Daily Manager's Report (DMR)

Reports	Means	Std. Dev.
Daily P & L Summary of Operation	4.35	.88
Gaming Results & Statistics	4.29	.76
Non-gaming Statistics (e.g., ADR)	3.88	1.07
Complementary Activity Reports (Rev. & Exp.)	3.88	1.07
Payroll Reports	3.74	1.05

Scale: Low 1 2 3 4 5 High

Table 4 summarizes the five divisions (audit, taxes and license, enforcement, investigation and criminal intelligence) of the Gaming Control Board dealt with frequently by the respondents. At some point during the year, a gaming controller will have contact with one or all of these divisions. Overall assessment indicated that 94 percent of the respondents dealt with the audit division, followed by taxes and license, and enforcement with 62 and 56 percent respectively.

Table 4
Division (s) of Gaming Control Board Dealt With Frequently (n=34)

Divisions	No.	%
Audit	32	94
Taxes & License	21	62
Enforcement	19	56
Investigation	11	32
Criminal Intelligence	5	15

Note: Totals do not sum to total number of respondents for each category because respondents do not make contact with all divisions of the Gaming Control Board.

Table 5 shows the reasons for performance evaluation for casino controllers. The respondents (88 percent) indicated that their primary reason for performance evaluation was to improve performance, while 74 and 65 percent of the respondents said that it was to recognize proficiency and to increase salary respectively.

Table 5
Performance Evaluation for Casino Controllers (n=34)

Reasons	No.	%
To Improve Performance	30	88
To Recognize Proficiency	25	74
To Increase Salary	22	65
Routine Requirement	14	41
For Promotion	9	26

Note: Respondents could choose more than one reason.

Table 6 shows the rating method used to determine the respondent's bonus. The primary rating method mentioned was performance standard with 56 percent. When respondent performance fell below expectation the most frequently cited response was redefining duties (26 percent of respondents). More training was the next most prevalent response (24 percent of respondents). The third most common response (20 percent) overall was the loss of bonus (see Table 7).

Table 6
Rating Method Used to Determine Bonus (n = 27)

Rating Methods	No.	%
Performance Standard	15	56
Management by Objectives	7	26
Rank-order Method	3	11
Check List Method	2	7
Total	27	100

Table 7
Action Taken When Performance Falls Below Expectations (n=34)

Action	No.	%
Duties are Redefined	9	26
More Training	8	24
Bonus is Lost	7	20
Corrective Counseling	6	18
Controller is Dismissed	4	12
Total	34	100

Casino controllers must research technology areas that have the potential of improving cash flow and profitability. Table 8 shows the importance of information technology to the casino functions. On a five-point Likert scale (low 1 2 3 4 5 high) information technology was ranked first (4.62) as necessary for control, and second (4.32) as a strategic asset critical for success.

Table 8
The Importance of Information Technology to the Casino Functions (n=34)

Sources	Means	Std. Dev.
Necessary for Control	4.62	.74
Strategic Asset Critical for Success	4.32	.81
Strategic Means for Reducing Expenses	4.26	.96
Improving Guest Satisfaction	4.12	1.12

Scale: Not Important 1 2 3 4 5 Very Important

Table 9 highlights the information technology challenges facing the casino controllers. On a five-point Likert scale (low 1 2 3 4 5 high) integration/interfacing different applications was listed as the primary information technology challenge (4.26). Next was choosing the best technology for the casino (4.12). The questions that were asked were as follows: What type of information technology challenges face casino controllers in (a) integration/interfacing with different applications, and (b) choosing the best technology for the casino?

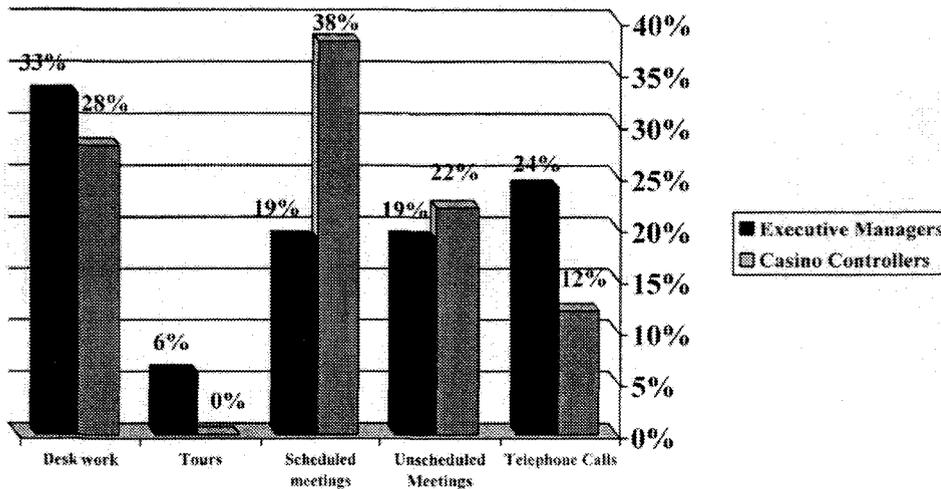
Table 9
Information Technology Challenges Facing the Casino Controllers (n=34)

Challenges	Means	Std. Dev.
Integration/Interfacing Different Applications	4.26	1.05
Choosing the Best Technology for the Casino	4.12	.91
Other Problem	3.91	1.26
Security Technology	3.50	1.13

Scale: Low 1 2 3 4 5 High

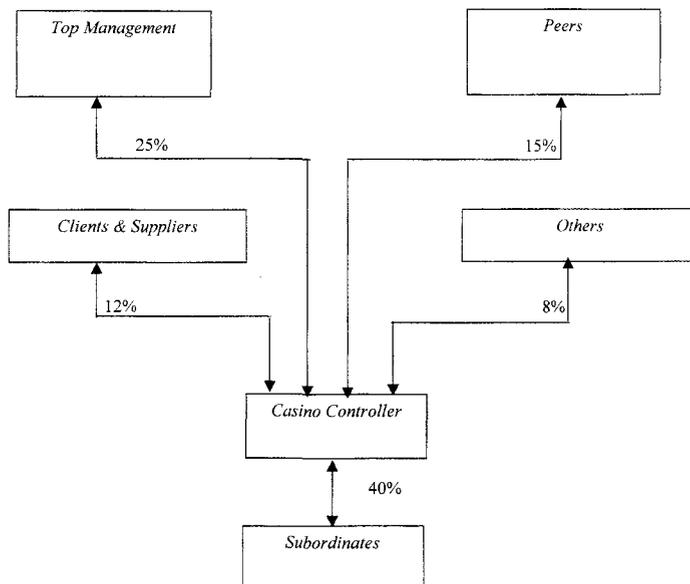
The charts in Figure 2 present a summary of how managers and casino controllers spent their time on various activities. Mintzberg's observation of five managers for five weeks indicated that they spent 33 percent of their time doing deskwork, 24 percent on telephone calls and 19 percent each on scheduled and unscheduled meetings. In an interview with five casino controllers, they were asked to give the percentage of time spent on similar activities studied by Mintzberg. On average these five controllers spent 28 percent of their time on deskwork, 38 percent on unscheduled meetings, and 22 percent on scheduled meetings.

Figure 2: A Comparison of How Managers Spent Their Time on Activities Distinguishing Characteristics of Casino Controller's Work



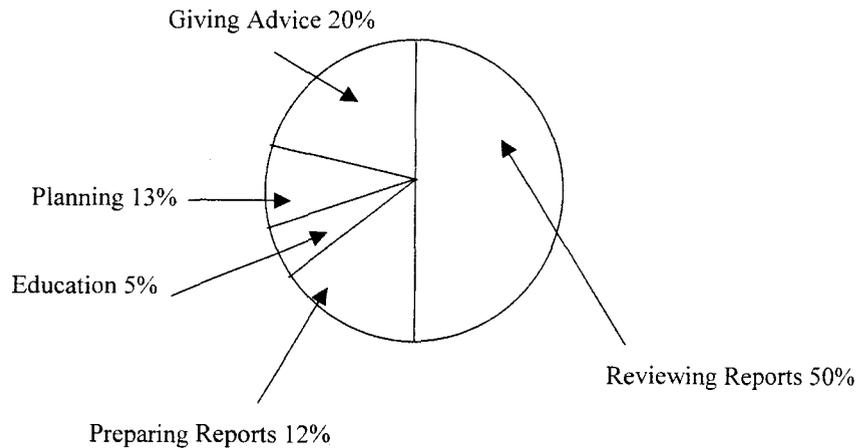
Results indicated that in the Mintzberg study the time spent on the purposes of managerial activities are as follows: information, 40 percent; decision-making 21, percent; secondary activities, 21 percent; and requests, 18 percent. While the results from the interviews with the five casino controllers were: information, 35 percent, comprised of time taken for observation tours, receiving and giving information and review, secondary activities represented 25 percent and included external board work, ceremony, scheduling, and organizational work. Decision-making, which was 20 percent, involves time taken for strategy and negotiations. Finally, requests represented 20 percent of the time and included manager, action and status requests.

Figure 4 Contact Time Spent With Each Group The Casino Controllers' Contacts



Contact time spent with each group by the casino controller is displayed in Figure 4. This information was obtained through interviewing of five casino controllers. Results indicated that casino controllers spent 40 percent of their time with subordinates, 25 percent with top management, 15 percent with peers, and 12 percent with clients and suppliers. These findings are consistent with the Mintzberg study showing that managers spent between 39 and 48 percent of their time with subordinates, 16 to 25 percent with peers, and 13 to 20 percent on clients and suppliers.

Figure 5 The Casino Controller Percentage of Time Spent on Deskwork
The Casino Controllers' Deskwork



The casino controller percentage of time spent on deskwork is displayed in Figure 5. These results were based on interviews of five casino controllers. Casino controllers spent 50 percent of their desk sessions on reviewing reports, 20 percent on giving advice, 12 percent on preparing reports, and 13 percent planning and thinking. Since desk sessions have a reasonable amount of structure and organization they could also be used to provide time for research and educational development for the casino controller.

Figure 6 Transforming the Casino Finance Functions for the 21st Century

THE ROAD TOWARD EXCELLENCE

- Business Partner
 - Competitive Analysis
 - Strategic Information
- Translator
 - Supporting Business Teams
 - Product and Cost Planning
 - Process Improvement
 - Capacity Analysis
 - Customer/Product Costing
 - Cost/Value Drivers
 - Information Trustee

- Toolmaker
 - Issue Identification
 - Data Integration
 - Process Orientation
 - Model Development
 - Segmentation
 - Definition

 - Scorekeeper
 - General Ledger
 - Transaction Processing
 - External Reporting
 - Compliance
 - Budgeting or Variance Analysis
-

Figure 6 outlines the possible transformation of the casino finance roles for the new millennium. This diagram was adopted from Freeman (1998). According to Freeman (1998) controller's roles will transcend their conventional roles (scorekeeper, toolmaker, and translator) into the role of business partners in the new millennium. In Figure 6 casino controllers traditional finance roles could be related to that of a scorekeeper, toolmaker and translator. Casino controllers traditionally conduct operational measurements and execution of financial activities.

During the interview sessions with the five casino controllers they were asked to assess their department's current performance based on the finance roles in Figure 6. Their performance rating was on a five-point Likert scale (1 = low, 2 = moderately low, 3 = moderate, 4 = moderately high, and 5 = high). Their ratings were shown in Table 12. Scorekeeper was ranked high, while business partner ranked moderate. This provides some useful information regarding the current utilization of activities associated with the casino controllers' finance roles. Based on the interview results it would appear that casino controllers' roles were activities that were execution and measurements-oriented rather than extensively involving creating strategies and setting objectives.

Summary and Implications

This study explored the nature of the casino controller's work in the gaming industry. The data were collected using a questionnaire developed with structured and fixed alternative questions and structured-direct interviews. The survey and the interviews were very helpful in gaining a better understanding of the roles of casino controllers. They also complement each other and assist with focusing on specific activities performed by casino controllers.

Analysis of data collected contributed to the understanding of the roles of casino controllers and provided answers to the various research questions. The three primary managerial roles of the casino controllers are interpersonal, informational, and decisional. Casino controllers spent the majority of their time (38 percent) on unscheduled meetings and 28 percent on deskwork. Reviewing reports represented 50 percent of deskwork. The types of technical knowledge required by the casino controllers are accounting/auditing, finance, gaming law, taxes, casino security, and human resources. The types of internal audits conducted by the casino controllers were revenue audit and casino audit. The primary information technology challenge facing the casino operation was integration/interfacing different applications.

There are implications from this study that are relevant to future research. First, how do casino controllers perceive the importance of the ten managerial roles used to describe their managerial activities? Second, what are the technical skills required by

casino controllers? Third, what factors influence the activities performed by casino controllers? Fourth, by transforming the casino finance function for the new millennium, what are the relative values of the four functions—scorekeeper, toolmaker, translator, and business partner? Fifth, what is the extent of the casino controller's authority over specific functions performed? Sixth, are casino controllers breaking out of their traditional roles of "number crunchers" into the role of business strategists? If so what is the major trend impacting the role of the casino controller as a decision-maker and a business strategist?

While this study provides important information regarding the nature of the casino controller's work, caution should be taken when interpreting the results. First, the survey came from a small sample size and a nonrandom sample method was used (convenience sample). Second, this study follows traditional management research using questionnaires and interviews to obtain information regarding management roles. Management literature suggests that direct observation is the best method to obtain firsthand information when studying management roles (Ferguson and Berger, 1994).

Casino controllers who are uncomfortable with new technology will eventually be replaced with a new breed of highly educated controllers.

The results from this investigation indicate that casino controllers were well educated, and employed high levels of technical skill in such areas as financial accounting, taxation, finance, and internal controls. The responsibilities of the casino controllers are more than just ensuring that proper gaming revenues are posted to the general ledger. Controller is a specialized job, requiring an extensive knowledge of

accounting, finance, gaming law, casino security, human resources and leadership.

According to this study one of the major challenges facing casino controllers today is the inability to integrate and interface different information technology applications. Casino controllers who are willing to modify their systems to make the best use of new technology will likely see improvements in departmental efficiency. However, casino controllers who are uncomfortable with new technology will eventually be replaced with a new breed of highly educated controllers, many of them with advance education and consulting experience. They would be required to streamline many transactional systems and provide profit centers with more specialized forms of financial analysis. Over the course of three decades the casino controller's function has risen from one of senior clerk to one of the most advanced, highly educated, and useful positions in casino resort properties.

Persons considering a career as a casino controller and its likely progression, should know the importance of living in the present and absorbing all they can about their current experience, picking up skills along the way. Foremost in the mind of casino controllers should be the completion of current objectives and deliverables. However, a simultaneous effort should be to seek to bolster the skills they already possess by reaching those objectives through new practices or by partnering with a colleague with a different background than theirs. They need to identify the skills that they feel will help them in the future and seek to obtain them in their current endeavors, in other words, focus on the immediate, but plan for the future. In the final analysis, casino controllers need to look at themselves in the mirror and justify their actions to themselves. They are trained, and know what has to be done, and they need to be the champions of interpersonal, information, and decision roles because they are the nerve center of the casino operations.

As members of the management team, casino controllers must view their company objectives in a broader context in order to strategize ways to meet customer demands for new products and services. This would include participation in such areas as business expansion, revenue enhancement, and information technology initiatives to increase visibility and redefine the traditional roles of casino controllers. In addition to extensive knowledge of accounting and finance, today's casino controllers need to possess

excellent management and communication skills to enable them to supervise their staff and interact with their peers in other areas of the casino resort property.

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